THE CHINA WEEKLY

REVIEW

Devoted to the Economic, Political and Social Development of China and its Intercourse with Other Nations

CHINESE OPPOSITION TO THE PROPOSED MORGAN LOAN TO THE S. M. R.

NEWS ITEM

According to a Reuters' Report on December 7 from New York, it was indicated that the attitude of the State Department in reference to the proposed American loan to the South Manchuria Railway had changed and that the American Government would now oppose the loan!

密勒氏評論報

SATURDAY, DECEMBER 10, 1927

THIRTY CENTS A COPY

Vol. XLIII No. 2.

Millard Publishing Co., No. 4 Avenue Edward VII, Shanghai, China 上海愛多亞路四號密勒氏評論報館

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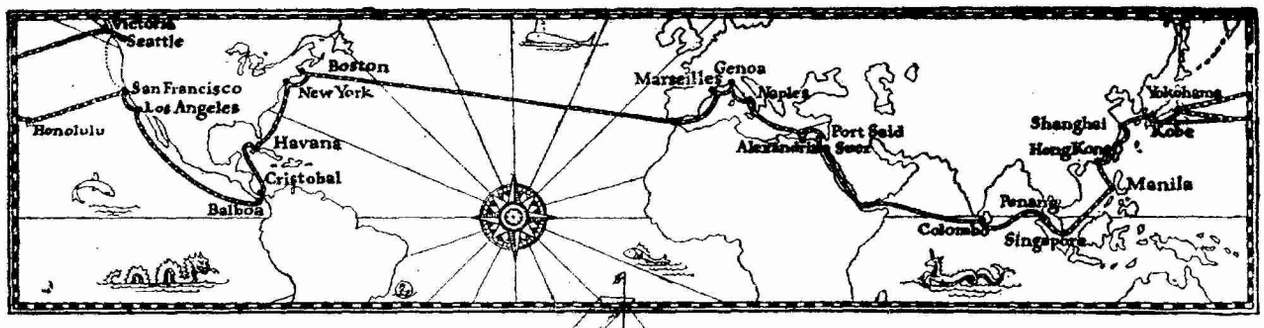

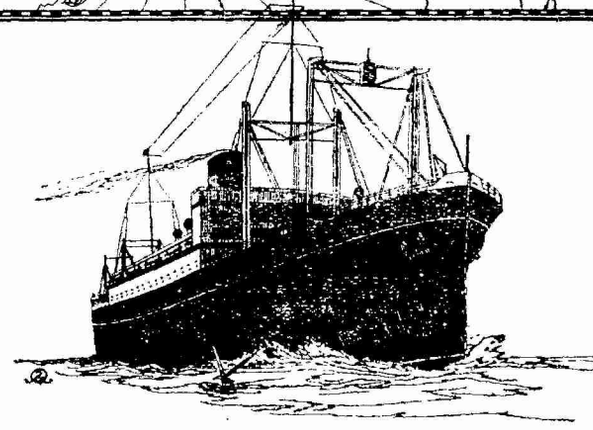

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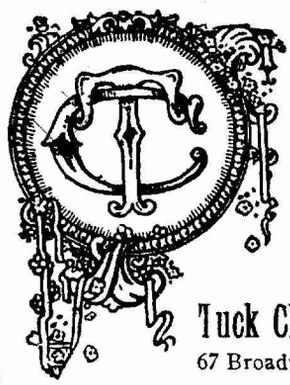

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密勒氏評論報

THE CHINA WEEKLY

REVIEW

Formerly Millard's Review

中華郵政特准掛號立券之報紙

Registered at the Chinese Post Office as a Newspaper for transmission with special marks privileges in China

VOLUME XLIII SHANGHAI, CHINA, SATURDAY, DECEMBER 10, 1927 NUMBER 2

THE CHINA WEEKLY REVIEW

Formerly Millard's Review

Cable Address "REVIEWING SHANGHAI"

PUBLISHED AT NO. 4 AVENUE EDWARD VII, SHANGHAI CHINA, BY MILLARD PUBLISHING COMPANY, INCORPORATED BY THE LAWS OF THE STATE OF DELAWARE, UNITED STATES OF AMERICA.

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COMMUNICATIONS PERTAINING TO SUBSCRIPTIONS OR ADVERTISING IN CHINA SHOULD BE ADDRESSED TO THE CHINA WEEKLY REVIEW AT 4 AVENUE EDWARD VII, SHANGHAI, CHINA. TELEPHONE CENTRAL 4741. CABLE ADDRESS "REVIEWING SHANGHAI."

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JAPAN AND U. S. BOTH LEADING BRITAIN IN CHINA TRADE!

ACCORDING to an article appearing in the November *Bulletin* of the American Chamber of Commerce in Shanghai, the United States led all countries in the foreign trade of China with the exception of Japan for the year, 1926, the Customs figures for which are now available. The following statistical table which was specially prepared for the *Bulletin* tells the story of what happened in China's foreign trade last year:

	Imports from China	Exports to China	Total of Imports and Exports
Japan.....	G.$336,909,441	211,740,889	548,650,330
America.....	187,647,086	150,113,103	337,760,189
Hongkong....	124,472,673	93,802,031	218,274,704
Great Britain.	116,269,419	55,835,783	172,105,202
British India.	79,191,013	15,922,101	95,113,114

The article which accompanied the foregoing table stated that if the three totals for goods of British origin, Hongkong, Great Britain and British India, are added together, the total would exceed that for the United States, but on the other hand a considerable percentage of the commodities handled by Japan are exported to or imported from the United States, and although not mentioned in the *Bulletin*, it is also a fact that a considerable portion of the trade of Hongkong with China which is all listed as "British" is either of American origin or destined for American consumption. The writer of the foregoing calls attention to certain interesting phases of American trade with the Orient with which the public is not generally familiar. For example, the average layman believes that the United States buys more from Europe than from any other continent, "whereas as a matter of fact, America buys more from Asia than from Europe. During 1926 Asia furnished 31.6 percent of America's imports, which was a larger percentage than in any previous year and over twice as great as during the average of the pre-war years, 1910-1914." We are also told that America's trade with China is greater than with Australia, Belgium, Denmark, Norway, Sweden, the Netherlands, Colombia and many other smaller countries and that the volume of America's trade to and from China exceeds that of any country in South America.

IN PRESENTING the foregoing report on American trade with China for 1926 the writer of the article in the Chamber's *Bulletin* states, "The figures are not presented with any thought of propaganda effort to induce American business houses to come to China at the present time, but with the view of presenting to American business men, politicians, journalists and writers certain facts which should not be overlooked when dealing with

the China situation." While *The Review* has often differed radically with the policies of the local American commercial organization, particularly on the question of joining with the European Powers and Japan in a policy of military intervention, we desire this time to commend the Chamber for its publication of the foregoing figures and accompanying statement. The American trade figures constitute the best possible testimonial to the success of American foreign policy toward China over a great number of years, which has generally been based upon the principles of the Open Door and Equality of Opportunity combined with a desire on the part of the American people and Government not to interfere in China's internal political affairs. It is true that American merchants in China often become impatient at political developments in China which interfere with legitimate trade; and it is also true that American merchants in China are sometimes influenced by propaganda emanating from European or Japanese sources which causes them to advocate policies which are contrary to America's best interests in this part of the world. But, as stated in the foregoing, it's the figures which tell the story!

U. S. NATIONAL CHAMBER URGES PROTECTION IN CHINA

THE CHAMBER of Commerce of the United States, with offices in Washington, D. C., at at its annual meeting held at West Baden Springs, Indiana, on October 18 passed the following resolution:

> "In the interest of foreign trade the American Chamber of Commerce at Shanghai requests the cooperation of the Chamber of Commerce of the United States of America in asking the American Government to give American citizens in China protection of their lives and property during the present disturbed conditions. That the American Government be requested to continue the Washington Conference policy of cooperation with other Treaty Powers. In pursuance of this policy and pending revision of the treaties by negotiation with a recognized government representing the people of China, that the American Government ensure, as far as possible, to American citizens in China not only the protection of the law, but the impartial enforcement of obligations and equal enjoyment of rights."

This resolution was passed by the National Chamber following an address delivered before the annual meeting of the organization by Mr. George Bronson Rea, the editor and publisher of an engineering journal in Shanghai which, as we have explained previously in *The Review*, has for many years been devoted to the propagation of a "strong" Japanese policy toward China. In the course of Mr. Rea's address he declared that "Instead of a struggle to implant Nationalist ideals throughout China, the Soviet has employed this worthy Chinese movement as the screen behind which it has carried forward its warfare against the capitalist nations. This menace brought the Americans, British, Japanese, French, Spaniards, Portugese and Italians together as one man to defend their lives and properties and to urge upon their governments the necessity of *united armed intervention.*" "It is not my purpose" said Mr. Rea "to advocate extreme measures, but it is only fair to invite your attention to the reasons which *fully justify such intervention if the occasion again demands it.*" Further along in his address in reference to the question of treaty revision, Mr. Rea declared that while most Americans favor treaty revision, very few know what it really means. He then explained, to the following effect, his views as to what treaty revision, from the American standpoint, would mean: "Treaty revision means the disappearance of the Open Door Doctrine and our right to intervene further in China's affairs. We must then either surrender our leadership to those nations which have the greatest commercial stake in that country, or, devise and put into force some other policy that will retain for the United States its preferred position." Mr. Rea then explained that he had been informed by the Japanese Consul-General in New York that about 49 percent of America's exports to China are handled by the Japanese "who purchase in New York American products for Japanese enterprises in China, so that practically one-half of our exports to China today is in the hands of the Japanese destined for their railways, mines, sugar factories, and other industrial establishments in China." In conclusion he declared that "a new American policy towards China must be based on a *friendly or benevolent intervention, either alone or in conjunction with the other interested Powers.*" According to report in Shanghai, Mr. Rea has established an office in Washington, D. C. for the purpose of conducting a propaganda campaign before the coming session of Congress.

NEWS WHICH DOES NOT APPEAR IN SHANGHAI PAPERS

THE *New York Tines* recently published the following in its editorial columns regarding the purpose of a newspaper:

> "A newspaper is primarily a collector and purveyor of news as news. It is not the business of a newspaper to stop and ask what will be the effect of the news it prints—whom this story will help, whom that story will hurt. A newspaper that followed such a policy would be like a historian or scientist who continually asked himself what it was for the benefit of mankind to know and what ought to be kept hidden from it. Newspapers are founded upon the principle that it is well for the world to be aware of what it is doing day by day. For them to suppress anything on the ground that people would be better off without knowing it would be as gross a violation of their responsibility to the public as would be the deliberate printing of something they knew to be false from the same lofty but mistaken motive."

This statement by the *New York Times* is peculiarly applicable to a recent instance of deliberate news suppression in Shanghai, the case having to do with a news report from London pertaining to the divorce proceedings of Hayley Morriss, a former resident of Shanghai who is now serving a term in the penitentiary in England for seduction. The case aroused the disgust of all clean-minded people in England and was even discussed in Parliament at the time. Mr. Morriss recently brought a divorce action against his wife, Mr. Morriss appearing in court accompanied by the warder of the penitentiary, where he is serving his sentence. The Judge in summing up the evidence is reported to have made some sarcastic remarks regarding the general "worthlessness" of all the parties involved in the divorce action, saying that they were involved in a common degradation which made it a burlesque for them to come into court and ask for justice and damages. According to a newspaperman in Shanghai familiar with the circumstance, a full cabled report of the case was received in Shanghai by *Reuters* and distributed to all of the foreign newspapers, which means, the *North-China Daily News, Shanghai Times* and *China Press*. But none of the newspapers printed the report because Mr. Hayley Morriss happens to be closely related to the family which controls one of the papers, in fact is reported to be, or to have been, one of the principal stockholders. As a result, the directors of the paper in question "got busy" and exerted sufficient influence to keep the news item out of all of the newspapers here. Thus are the ideals of journalism upheld in this "Paris of the Orient!"

BRITISH HAVE NO INTENTION OF REOCCUPYING THE HANKOW CONCESSION

RECENTLY we published in these columns of *The Review* an exhaustive report by the British Commercial Attache regarding business conditions along the Yangtsze, in the course of which Mr. Brett stated that the changed status of the British Concession in Hankow had little effect one way or the other upon the depressed trade conditions prevailing at Hankow, the reason being that all of the British factories in Hankow were located outside the Concession anyway. Now we have a letter which the British Consul-General at Hankow, Mr. Harold Porter, recently sent to the Chinese authorities at Hankow in which Mr. Porter disavowed any intention on the part of the British authorities to reoccupy the former British Concession. Mr. Porter's letter, which was addressed to Dr. C. H. Kan, Chinese Commissioner of Foreign Affairs for Hupeh, was as follows:

Sir,—I was very pleased to have the opportunity of meeting you yesterday and to be able to assure you that the friendly sentiments expressed towards the Nationalist Government in China by H. M. Government remain unchanged.

Naturally, the various political and military movements and changes that have taken place during the year that has passed since the publication of the British Memorandum have given rise to rumors from time to time, such rumors being usually spread by interested parties.

The suggestions that it is, or has ever been, the intention of the British Authorities to resume control of the former British Concession here, or to land troops for its occupation, are entirely unfounded.

The presence of certain of H. M. ships both here and elsewhere is merely to give protection where that is found to be needed owing to the pre-occupation of the Nationalist Authorities with more immediately pressing affairs. Once the Nationalist Government is in a position to afford that measure of protection to the stranger within her gates that is accorded as a matter of course by all countries to the subjects of other countries with whom they are on terms of amity, H. M. Government will gladly relinquish that duty and withdraw the protective forces.'

I am happy to be able to assure you that the efficient manner in which the local Authorities have afforded protecion to this district during the recent crisis is highly appreciated, and will do much to dispel the feelings of nervousness and uncertainty that were aroused in the foreign community at the time of the recent hostilities between Nanking and Wuhan.

"If the Nationalist Government and the Military Authorities could see their way to keeping the Special Administrative Districts free from troops, it would do much to restore confidence and have a beneficial effect upon trade generally.

HAROLD PORTER,
H. B. M. Consul-General.

The Attitude of the U. S. Government on the S. M. R. Loan

IT IS unfortunate that the State Department has not seen fit to issue a definite statement for publication in China pertaining to the negotiations which have been proceeding for a considerable period between the American bankers and the Japanese officials of the South Manchuria Railway. We say this is unfortunate, because the lack of an official declaration on the part of the American Government has provided opportunity for the spreading of propaganda which will undoubtedly have a detrimental effect upon American prestige in China. As mentioned previously in these columns, about the only information on the question which has reached China has come from non-American sources in the form of telegrams by the British *Reuters* service and the Japanese *Toho* service. *Reuters* carried two telegrams, one from Tokyo stating that the State Department was opposed to the loan on the grounds that the "South Manchuria Railway traversed disputed territory," and the other from Washington stating that in view of the fact that no political interests were involved the State Department had no intentions of raising objections. Then there was a further dispatch from Washington by *Reuters* which told of the conferences in Washington which were participated in by President Coolidge, Secretary Kellogg and other members of the State Department and by Messrs. Thomas W. Lamont of Morgan and Company and Charles Mitchell of the National City Bank. Obviously, these dispatches have not told the whole story because the Japanese semi-official organ, the *Manchuria Daily News* (owned by the South Manchuria Railway), and the *Osaka Mainichi* have told of certain conditions which the State Department has insisted upon before the loan contract was signed. The *Manchuria Daily News* on November 28 in a Washington dispatch dated November 25 stated that Secretary Kellogg "was insisting on a guarantee to be given by the Japanese before approving of the signing of the loan contract, that the money, G.$40,000,000, should be employed exclusively for the purpose of Japan's economic activities in Manchuria and Mongolia and that none of the proceeds of the loan were to be used for political purposes." This report concluded with the significant sentence, "This attitude of the State Department is the offspring of America's traditional policy not to allow China's territorial integrity to be trespassed upon." Reports in the *Japan Advertiser*, American paper in Tokyo have been equally conflicting. A Washington dispatch in that paper for November 27 declared that the State Department would insist that the Japanese provide definite guarantees that the money for the South Manchuria Railway would be used solely for purposes of economic development before approval would be given. On November 28 the *Advertiser* published another dispatch from Washington by its staff correspondent who stated that the State Department "would interpose no objection to the proposed loan to the South Manchuria Railway sponsored by J. P. Morgan and Company," the State Department considering that the loan was a "purely private transaction in which the Administration was not concerned.' Then finally on November 29 the *Advertiser* published a long interview with Mr. Jotaro Yamamoto, president of the South Manchuria Railway which was written by Mr. Victor Eubank, correspondent for the *Associated Press*, in which Mr. Yamamoto declared that the proposed loan was for only G.$30,000,000 and that no formal negotiations had as yet been held, only "conversations," looking toward formal negotiations in the near future. The interview in full follows:

Although various cable dispatches from America, regarding a large loan to the South Manchuria Railway, have been received recently in Tokyo, the first authentic information regarding the present status of the proposed bond issue was given out yesterday by Mr. Jotaro Yamamoto, president of the South Manchuria Railway, in an interview with Mr. Victor G. C. Eubank, head of the Associated Press in Japan.

The loan under consideration, according to Mr. Yamamoto, is for $30,000,000 and, contrary to some of the cabled advices, is really not a matter of formal negotiation thus far. "Conversations," however, are under way and some really formal action is supposed to be taken some day in the near future. Just what the outcome will be is still uncertain, although the South Manchuria Railway has assurance of most friendly consideration from the banking firm of Morgan and Company of New York through Mr. Thomas Lamont, one of the Morgan partners, who re-

cently visited Japan on a mission which he refused to discuss.

"The situation is this," said Mr. Yamamoto, in discussing the desired loan with the Asssociated Press; "no proposal or proposition has as yet been made by either the South Manchuria Railway or by the Morgan Company. However, there have been informal conversations between both representatives of the Morgan Company and the South Manchuria and really formal negotiations apparently are forthcoming soon.

Ready to Talk Terms

"I understand that the State Department in Washington has been approached by Mr. Lamont and other financiers regarding whether the American government would approve a loan to the Japanese railway in Manchuria. There appeared to be some question about this, but I do not see why there should have been. I have been informed that the State Department decided it would not object to such a loan. In other words, it neither would approve or disapprove. Consequently we are now at the point where we can start talking about terms.

"The matter of rates will have much to do with our placing this $30,000,000 loan in America. Our idea is that the loan should be for 30 or 35 years, issued at 97 and at not more than 6 per cent. This seems to me to be an especially high rate of interest for such a loan. And you must remember that we recently floated an internal loan of Y50,000,000 at 5½ per cent. This loan was underwritten by a syndicate of Japanese banks and, I understand, all but a very small portion, has already been subscribed.

"Of the new Y50,000,000 internal loan, we will use Y30,000,000 to refund a former higher priced loan due in 1928. The remainder of the total is being held in abeyance pending the conclusion of negotiations for the foreign loan of $30,000,000.

'Open Door' Unthreatened

"I have seen cabled dispatches from America that protests against a loan by the United States to the South Manchuria have been lodged by Chinese in Shanghai and Canton. I must say that these protests are absolutely unwarranted and that our foreign loan proposal has nothing to do with encroachments in China and Manchuria and does not threaten the existing policy of the 'Open Door' in any way.

"The South Manchuria needs additional funds for several specific things. The proposed loan which we hope to obtain from abroad will be used principally in the further refunding of our bonds which will save us a great deal of money. Outstanding in Japan now are upward of Y100,000,000 in bonds. After refunding Y30,000,000 of these with the money obtained from the recent internal loan, there will still be some Y70,000,000 which are drawing interest at the rate of 7 per cent. With the foreign loan we will be able to refund a considerable portion of the outstanding bonds, although we do not hope to take in all of them.

"Besides the refunding plan, we need money for the replacement of rolling stuck and the substitution of 100-pound rails for the 80-pound rails which we still have on part of the system. These rails, by the way, we expect to purchase from the United States.

Will Buy Locomotives Also

"And besides rails, we wish to replace many locomotives and cars. We now have some 900 locomotives and 7,000 cars in use. Many of these must be replaced and the proposed foreign loan will help us in carrying out the proper replacements. Also our plans for an increase in production of the Fushan collieries will need funds. In this coal field there are estimated to be 400,000,000 tons of coal. We want to increase our present production to around 10,000,000 tons a year. Of course, this maximum of production will not be attained for at least four or five years. But it requires money to even start it.

"Another thing we want to do is to build up a fertilizer system that will enable us to offset the tremendous importation which is now necessary for Japan. We believe we can do this and part of our foreign loan will be used for the purpose.

"I must reiterate that the proposed loan with J. P. Morgan and Company is still in the 'conversational' stage and that it is not meant to be inimical to China in any way. We can only hope that it is received in the proper spirit in America and that our intentions are not misunderstood."

Fengtien Party Also Opposes American Loan to S. M. R.

ANOTHER chapter in the story of Chinese opposition to the proposed American loan to the Japanese-owned South Manchuria Railway, was written last week when Gen. Yang Yu-ting, chief-of-staff to Marshal Chang Tso-ling, in an interview with foreign newspaper correspondents in Peking declared emphatic opposition to the loan which is said to be under consideration by two American banking houses, J. P. Morgan and Company and the National City Bank of New York. Gen. Yang's opposition to the loan attracted unusual attention owing to the fact that he is, next to Marshal Chang Tso-ling, considered the most responsible member of the Fengtien military party, being popularly known as the "brains of the Fengtien Party." Heretofore, most of the reports regarding opposition to the proposed loan have come from the camp of the Chinese nationalists, but now that the Northern Chinese have also announced their opposition, the American financial interests which are said to be back of the loan proposal should realize that they are treading on dangerous ground from the standpoint of future relations between China and the United States.

Gen. Yang's interview on the subject, which was distributed by the British *Reuters* news service on November 30 was as follows:

Peking, Nov. 29.

General Yang Yu-ting, Chief of Staff to the Generalissimo, interviewed by foreign pressmen this morning, declared that he did not know whether the loan being granted by American bankers to Japan for the South Manchuria Railway had been signed, but he considered that it constituted a great provocation to the Chinese Government and the Chinese people.

They had enough Japanese material and influence in Manchuria already without the loan. When the Chinese people learned that the Japanese designs on Manchuria were being supported by American bankers it would antagonise the Chinese people against American bankers and the American people, so that it would be very ill-advised for the American bankers to court the hostility of the Chinese.

It was regrettable, said General Yang, that the Americans had so much confidence in Japan. There were many things that Japan had undertaken to accomplish in Manchuria which they had failed to start or complete. With American money the Japanese could build railways and exploit Manchuria so that a direct issue would be raised between the peoples of China and America. If the American bankers wanted to loan money to Manchuria they should have loaned it direct and not through the Japanese.

Chinese Opposed

The United States Government possibly could not stop the bankers from making the loan but nevertheless, in his opinion, the United States Government was responsible—for only after the Government had said that it approved such a loan could the bankers go ahead.

For this reason the Chinese people would not be able to distinguish between the American bankers and the United States Government. The loan would strengthen the Japanese hold on Manchuria, with American assistance, and the Chinese were bitterly opposed to this.

General Yang suggested that the loan was partly a political dodge. An election was coming on in Japan and the Japanese Premier, General Baron Tanaka was, therefore, promising the development of Manchuria in order to win votes. The loan might be partly used for political purposes and not entirely for railway construction. This might be done indirectly, the loan actually being used on behalf of the South Manchuria Railway, while the railway funds which otherwise would be needed for that purpose would be used for political purposes in Japan.

The new railway from Tahushan to Tungliao had been built secretly. It was a hundred and fifty miles in length. The Japanese first read of it in the English papers and

therefore suspected that the British had had a hand in the construction, but the fact was that he (General Yang) had informed Viscount Willingdon, then in China with the British Boxer Indemnity Commission, of the railway plans last year.

Chinese Venture

The latter on his return to London evidently mentioned the matter and hence the news of the construction of the railway and the development of the port of Hulutao had appeared in the British Press, but there was no British capital involved. The enterprise had been entirely financed by Chinese.

Some Japanese papers, General Yang went on to say, had stated that Mr. Yamamoto, director of the South Manchuria Railway, on his recent visit to Peking, had brought a memorandum to Marshal Chang Tso-lin, but he had actually only brought a complimentary letter of introduction and the Generalissimo had given him a similar letter to the Japanese Premier.

Reports that an agreement was ready for signature were, said General Yang, a pure Japanese fabrication and a ridiculous story. The Japanese, he asserted, were publishing many similar equally false stories. Mr. Yamamoto had not represented the Japanese Government entirely and his views had not entirely accorded with theirs.

For instance, Mr. Yamamoto had declared that the Chinese plans for the construction of two railways rendering it possible to travel direct from Kirin and Heilungkiang to Peking might be reconciled to Japanese desires, whereas the Japanese Government bitterly opposed these two lines and were doing everything to frustrate their construction.

There was no room for negotiation at present, the Chief of Staff declared in conclusion, for the Japanese were using the pretext of Manchuria to get money abroad, even declaring that Manchuria and Mongolia were not Chinese territory.

Gen. Yang Yu-ting's declaration naturally had the effect of a bombshell in Japanese circles owing to the fact that Gen. Yang has always been looked upon as Japan's special friend and protector of Japanese interests in Manchuria. Mr. Kenkichi Yoshizawa, Japanese Minister in Peking, in a long interview circulated by the semi-official *Toho* news agency on November 30 expressed amazement at Gen. Yang's statement, declaring that it was "very detrimental to the relations existing between Japan and China in respect to Manchuria" and also charging Gen. Yang with statements "which do not agree with facts." Continuing he stated that while the South Manchuria Railway Company pays big dividends to its shareholders and that while Japan is making good profits from other enterprises in Manchuria, the Chinese people have gained on account of Japan's economic activities in Manchuria and Mongolia. "It must be pointed out," he declared, "that Manchuria has been greatly developed by the South Manchuria Railway Company during the 20 years which have intervened since the establishment of the Company and as a result the Chinese living in Manchuria are richer than those residing in other parts of China." As a result of this situation, the Japanese Minister declared that he could "hardly understand why Gen. Yang Yu-ting had expressed dissatisfaction at Japan's economic activities in Manchuria and had publicly announced his discontent to the world." Mr. Yoshizawa also disputed certain of Gen. Yang's statements pertaining to railroad enterprises in Manchuria, mentioning the Kirin-Kaisei line, claiming that Japan had advanced Yen. 1,000,000, (part of the notorious Nishihara Loan advanced to the Anfu Party during the World War) toward the construction of this railroad but that China had repaid neither interest nor principal. He said that Japan "had no objection whatever to any flotation of foreign loans by China and that Japan was similarly free to float loans in any country which she chose and that no third party had a right to interfere," the Japanese Minister apparently overlooking the fact that the South Manchuria Railway passes through Chinese territory, providing of course that Japan still considers Manchuria to be Chinese territory, which is doubtful in view of advertising and propaganda campaigns which Japan has conducted in the United States in recent years *with the purpose of creating the impression among the American people that Manchuria is not a part of China.* Finally, as a sort of final shot, the *Toho* news service on December 1 sent out a statement from Peking, in reference to the Yang Yu-ting interview, alleging that the Fengtien Chief-of Staff had been "misquoted" in the original interview with American and British newspaper correspondents, and that he really had not made the statements attributed to him. However, the *Kuo Wen* (Chinese news agency) in a report from Peking on December 1 stated that the Ministry of Foreign Affairs of the Peking Government had sent a strong telegram to Dr. Sao-ke Alfred Sze, Chinese Minister in Washington, instructing him to lodge a protest with the American Government over the proposed loan to the South Manchuria Railway on the part of J. P. Morgan and Company and the National City Bank and in addition had telegraphed to the Chinese Minister in Tokyo asking him to make inquiry of the Japanese Government regarding the terms of the proposed loan contract.

C. C. Wu Says Loan Would Cause a Change in Chinese Sentiment Toward the United States

DR. C. C. WU, Minister of Foreign Affairs of the Nationalist Government, on Sunday, December 3 issued to the press a copy of a telegram dispatched directly to Secretary Kellogg on the subject of an American loan to the South Manchuria Railway, the note reading as follows:

"Hon. Frank Kellogg,
State Department, Washington.

"Chinese people have heard with alarm imminent flotation of South Manchuria Railway loan in America and apparent acquiescence of American Government. It is well known to the world and to none better than the American Government that that Railway is not a mere industrial enterprise but the symbol and instrument of alien domination over a large and rich portion of Chinese territory. Japan sought to prolong that domination by means of notorious Twenty-One Demands. If America which repeatedly demonstrated its sympathy with China in connection with those Demands were now to lend means to strengthen that domination, Chinese people would be at a loss to understand the fundamental shange of attitude on the part of the American Government. Nationalist Government feels confident that American Government will not permit consummation of loan and depart from its traditional policy which has been instrumental in promoting cordial friendship between Chinese and American peoples.

CHAO-CHU WU,
Minister of Foreign Affairs."

Nanking, lst December, 1927.

At the same time the text of the foregoing telegram was issued to the press, Dr. Wu issued a statement dealing with the question of the proposed American loan to the South Manchuria Railway stating that he had instructed Dr. Frank Lee, the representative of the Nationalist Government in Washington to lodge a protest with the State Department, pointing out that the South Manchuria Railway is not a mere industrial enterprise. Continuing, he said:

"The South Manchuria Railway has always been the instrument of Japan's political, military and administrative control of Manchuria and Inner Mongolia. The real character of this railway was duly understood by successive American Administrations. Secretary Knox tried to neutralize the Manchurian Railways, though he failed owing to Japanese and Russian opposition. In 1915 when Japan presented the notorious Twenty-One Demands and coerced China to prolong Japanese control over the South Manchuria Railway for a further period of 99 years, until the year 2002, the American Government and people cordially sympathised with China. In 1918, in the negotiations for the Consortium, America found that the Japanese claimed that certain areas in Manchuria and Mongolia were outside the sphere of the Consortium, and she very properly objected to the claim as being of the nature of an exclusive political pretension. During the Harding administration, she called the Washington Conference in which the participating governments agreed that they would not support their nationals in seeking any arrangement which might purport to establish in favor of their interests any general superiority of rights with respect to commercial and economic development in any designated region in China and that they would not support any arrangement by their respective nationals with each other designed to create spheres of influence or to provide for the enjoyment of mutually exclusive opportunities in designated parts of Chinese territory.

"Such being the character of the railway and such the record of successive American Administrations, Mr. Wu continued, the Chinese people had been astounded by the reports of the attitude of the present Administration towards the loan, an attitude which seemed to imply a departure that is nothing short of tragic in the traditional American policy. It meant the active approval and assistance by America of Japanese politico-economic control and exploitation of Manchuria and Inner Mongolia. It meant that new and stronger rivets would be forged by American gold to further strengthen Japanese domination over a region which bade fair to become the Alsace-Lorraine of Asia. It meant also a blow to Chinese nationalism. Mr. Wu thought that it was bound to have a reaction on Chinese sentiment towards America. He hoped that at the eleventh hour the American Government would appreciate the significance and consequences of the loan and prevent its consummation."

Nationalists Order Reorganization of Han-Yeh-Ping Coal and Iron Company

The Nationalist Government, according to a report of the *Kuo Min* news agency on Nov. 30, has ordered a reorganization of the Han-Yeh-Ping Coal and Iron Company of Hánkow, the commission to have charge of the work being composed of Li Tsung-kong, Chu Lu-ho, Li Chao-kwan, Chao Shih-shuen and Chen Kan-chi. Li Tsung-kong will be chairman and Chen Kan-chi, secretary. This commission will work under the supervision of the Ministry of Communications of the Nanking Government and in addition the political committees of Hunan and Hupeh provinces have each been requested to name a member of the Commission. The Han-Yeh-Ping Coal and Iron Company of Hankow is the largest coal and iron industry of China. The Japanese have a considerable investment in the industry and according to reports of several months ago the Japanese were planning to take over the enterprise.

Belgian Priest Becomes a Chinese Citizen

According to a report received by *The Review* from a subscriber residing in the interior of China, a Belgian Catholic priest named Vincent Lebbe, who for some time has been working under the direction of a Chinese Catholic Bishop in North China, recently took out Chinese citizenship papers and thus has become a citizen of the Chinese republic. The same report stated that a Chinese Catholic Bishop, one of the first of modern times, died on Oct. 14 at the town of Suanchowfu, Chihli province, after less than a year in the episcopacy. He was a well known Chinese and French scholar.

Chinese Oppose The "Free City" Idea for Shanghai

BY CHAO YING SHILL

SOMETIME in July, there appeared in the columns of the *Manchester Guardian* an article entitled "Shanghai Problem: What the Chinese Propose" by one who signed himself as "a Friend of China." Much as we admire the sanity and liberalism of the *Guardian*, we cannot see our way clear to supporting a proposal made by our "friend" regarding the future status of Shanghai. In substance, the *Guardian* correspondent proposed that Shanghai "might become a 'free' city, on the analogy of the free city of Danzig, subject to the League of Nations and under a constitution which would secure the adequate representation of the Chinese at the same time as it afforded the foreign community adequate guarantee of order and stability." The *Guardian* endorsed this suggestion editorially and pointed out the fact that before it could become worthwhile to pursue the idea further in detail, certain preliminary conditions would have to be fulfilled. Important among these were: (1) that such schemes must be the outcome of joint deliberation between Chinese and foreigners; (2) that the main idea of invoking the authority and independent guarantee of the League of Nations should be found acceptable; (3) that the party negotiating with the Powers must be able to speak with full authority on behalf of the Chinese; and (4) that both parties must realize the danger of looking at the situation as an isolated problem apart from its historical background.

"Free City" Idea Not New

The correspondent was referred to by the *Guardian* as one "whose knowledge of China and whose sympathy with the aspirations of the new China are beyond question". The suggested scheme was called "the first which anyone has yet been at the pains to work out and which aims at doing substantial justice to both sides." We have the greatest respect and the heartiest gratitude for the good intentions of the *Guardian* correspondent, but we must observe that his Shanghai scheme seems to be altogether divorced from his unquestioned knowledge of the country of which Shanghai is only a part. Nor can we agree that this is the first scheme that anyone has been at pains to work out. The idea of a free international port was first broached in 1853 when the Taiping forces occupied the city. The whole foreign business community, predecessors of the British and American Chambers of Commerce of our day, clamored for a free port so that no duties should be required. The British consul, Mr. Rutherford Alcock, escaped from the double menace of the devil and the deep sea by accepting promissory notes from British merchants in payment of customs dues. Against this gross violation of treaty obligations, stood the firm and laudable attitude of the American commissioner, Humphrey Marshall, replying to a protest from the Fessendens of those who days, who declared:

> "It is my purpose to perform, punctiliously, every obligation assumed by the United States under the treaty, and to refrain from embarassing the public administration of Chinese affairs by throwing unnecessary obstacles in the way. No precedent, no examples furnished by other powers, will induce me to forego the faithful and honest execution of our plain international obligations."

On September 21 of the same year, the leading American firms of the day, Smith, King & Co., Wetmore & Co., Augustine Heard & Co., and Bull, Nye & Co. said in a letter:

> "We believe that, in the present lapse of legal authority, this port becomes, for the time being, a *free port;* and it certainly would be so to us but for the presence of the officers of our government."

Thus ended the first chapter of the history of the "Free City" of Shanghai.

Another scheme for the internationalization of Shanghai appeared in 1862 when the idea of "an independent Free State of Shanghai", under the protection of the four Great Powers, Great Britain, France, Russia and the United States was launched. Nothing came out of it with the British consul objecting to its consideration.

Burlingame's Suggestion

Another scheme for the solution of the Shanghai problem was sugggested by Anson Burlingame, the American Minister. In 1864, he proposed revising the Land Regulations of the International Settlement, under a charter from the Chinese government, emphasizing the point that the local authorities should levy only municipal taxes, and that Chinese ratepayers should be represented on the Council. To this the Shanghailanders objected, fearing domination by the Chinese, openly and significantly declaring that as a safeguard to life and property the "spirit rather than the exact words of the treaties should be adhered to when necessary."

In recent years, the credit for the *primum mobile* in demanding a change in the status of Shanghai should go to the First National Convention of the Kuomintang when the foreign policy of the Party was first made public in a coherent and systematic manner, The Kuomintang advocated then, advocates now, and will continue to advocate in the future the complete restoration of the International Settlement and French Concession at Shanghai. With the *Guardian* editor, we will say that "the practical details of such a scheme.... would present little difficulty." The issue lies rather in the principle itself.

We fail to see the logic of the *Guardian's* first preliminary condition. Shanghai is Chinese territory; that much even the British government would grant. The lease granted by the Imperial Chinese Government remains an international servitude. As maintained by British and Continenta publicists, international servitudes should be construed strictly in favor of the grantor. Sovereignty is in no way alienated. In considering a change of status of Shanghai, the will of the grantor should be given primary consideration. Any scheme for the constitution of a new Shanghai government should proceed from China and not as an "outcome of joint deliberation."

Danzig Plan Unworkable

To advocate a Danzig *regime* for Shanghai betrays a lack of appreciation of the differences between the historic backgrounds of these two cities. Danzig was practically a free city between 1454 and 1793, though accepting voluntarily the sovereignty of Poland. Danzig is the only available port for Polish international commerce. It was alienated from the state whose language a majority of its residents use because of a military defeat. It was made a "Free City" because of the heavy British investment in the Free State itself and in the Galician oil fields whose transport depends on Danzig. Danzig is what she is because of the British stock in the mills at Lodz and the coal companies to the south and southwest. We lack the space to go into the High Commissionership of the British Admiralty or the splendid record of the League of Nations, but the history of both the main and the subsidiary institutions offers little similarity to an Asiatic state.

The third point raised by the *Guardian* is a mere matter of time. We leave it to the *Guardian* correspondent to worry as to who will be the properly constituted authority to speak on behalf of the Chinese nation.

The *Guardian's* plea for a historical outlook on the Shanghai question would have deserved a round of applause had it not been an oblique book notice for Sir Frederick Whyte. Admirable though Sir Frederick's brochure is in more ways than one, the lesson that we read from the history of the relations between China and the foreign Powers is quite different from that which Sir Frederick pointed out. We would consider the *resume* given by Mayor Chang Ting-fan elsewhere in these columns as far more accurate and convincing. The history of the diplomatic relations between China and the Powers is a history of international greed. It is, like Danzig, a history of British and other foreign investment. It is marked by exploitation and aggression. The various international struggles of the last century of which China was the victim were but wars for spoils. The best way to "put British trade on a secure basis" is to admit the truth of this historical interpretation and act accordingly.

The Death of Mrs. Prohme

In connection with the report of the death of Mrs. Wm. F. Prohme which appeared in our columns last week, *The Review* is in receipt of a letter from Mr. Prohme correcting certain statements. Mrs. Prohme, who was a daughter of Joseph Simons, a grain broker and vicepresident of the Chicago Board of Trade, was a graduate of the University of Illinois and did post graduate work in the department of philosophy under Professors Tufts and Ames of the University of Chicago. Later she did special work in Oriental poetry and philosophy at the University of California. After leaving the University of Illinois she was married to Samson Raphaelson, short story writer and author of "The Jazz Singer," a play which made a hit in New York last year. She was divorced from Mr. Raphaelson in the spring of 1923 and in the fall of that year was married to Wm. F. Prohme, who was chief editorial writer on the *San Francisco Examiner*.

Germans "Carry On"

Anna Louise Strong writes in The *World Tomorrow* that German ships and traders go up and down the Yangtsze river undisturbed. They carry no protection other than the German flag and four large Chinese characters signifying their nationality and they are the only nation enjoying no "special privileges" in the country. Business is not particularly good, they say, but they have about all there is of it.

The S. M. R. and American Money

To the Editor, *The China Weekly Review*:

Sir.—Americans in the Far East are to be congratulated upon the unbounded wisdom of their home government in preventing American interests in China being made subservient to those of other countries. We have already seen how hard British die-hards in Shanghai have striven to compromise the United States in an intervention movement in China, and now we have the satisfaction of witnessing the frustration of Japanese efforts to compromise American interests in a "positive policy" in Manchuria, not to mention Mongolia and Shantung. Having recently travelled in Manchurian interior points, the writer has been successful in gathering Japanese, Chinese and Russian views on the future status of Manchuria, but it is unfortunate that, at the time of writing, there is not a fuller account available of the failure of the Japanese plan to raise money in America, through J. P. Morgan & Company, for investment in the South Manchuria Railway and, incidentally, for the purpose of involving American interests in the "positive policy" movement of the Japanese military clique, under General Baron Tanaka, which would once again force the infamous Twenty-One Demands down the throat of China.

The South Manchuria Railway never really needed the money which Mr. J. Yamamoto, instigated by the Japanese military clique, sought to obtain from America through J. P. Morgan & Company. There was, for one thing, ample money in Japan with which to satisfy the financial requirements of the South Manchuria Railway, as has been proven by the fact that as soon as it was announced that the United States Government had "declined to approve such a loan being floated in America owing to the South Manchuria Railway being in disputed territory," a Japanese banking syndicate undertook to float a loan of Yen 50,000,000 for the S. M. R. It was explained that "the biggest Japanese banks have at present much money lying idle owing to the bank panic last spring when depositors in small banks transferred their funds to the larger institutions."

For years, it has been the practice of propagandists in the employ of the Japanese government to harp upon the necessity of American-Japanese co-operation in China, this "co-operation" taking the shape of American money and Japanese brains. How dangerous such a "co-operation" would be to American interests is at once palpable to all, not even excluding the propagandists. It is true that American investors, for one thing, would receive good interest for their money, but, in the end, American financiers would be bound hand and foot in Japanese adventures in China. For another thing, with unlimited American money available, the Japanese would be able to manufacture goods in Japan and China for the Chinese market in such a way and on such a scale as to cause a wholesale withdrawal of American firms from China with exception of such essential corporations as Standard Oil. Apart from all this, however, there would be nothing to prevent Tokyo from browbeating China into being a vassal of Japan the moment American financial "co-operation" had assumed gigantic magnitude.

Japan's Vision in China

General Baron Tanaka undoubtedly has visions of a bright future for Japan in China but, fortunately for Americans, their home government also has visions of dangerous consequences in permitting American interests to be bound hand and foot in Tanaka's "positive policy" in China.

The Chinese in Manchuria have received with satisfaction the announcement that Washington had declined to approve the Morgan loan on account of the S. M. R. being in disputed territory. And now that it is clear Washington does not recognize the validity of the Japanese standpoint that the territory through which the S. M. R. runs is Japanese territory, the Chinese in Manchuria are all the more unlikely to heed Japanese representations over railway construction in Manchuria independent of S. M. R. auspices.

The Manchurian authorities have always considered it necessary, for strategical reasons, to control a network of railways in the Three Eastern Provinces. For this reason, when Mr. Yoshizawa proposed to General Yang Yu-ting that the new railways in North Manchuria, built, building and projected, should be operated under Sino-Japanese auspices, General Yang explained that, from the Chinese point of view, it would be inadvisable to follow the Japanese suggestion.

It has become apparent for some time that Mukden is anxious to show Tokyo where it could get off. Marshal Chang Tso-lin has been accused of overweening pride by General Baron Tanaka but the worthy Marshal has not failed to perceive certain peculiarities pertaining to Japanese policy in

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China. When the previous Japanese Ministry was in power, Baron Shidehara, tongue in cheek, announced again and again that Japan did not propose to interfere in China. But that did not prevent Tokyo from dispatching Mr. Sadao Saburi to Central China for the purpose of secretly negotiating with Mr. Eugene Chen, then Nationalist Foreign Minister. Subsequently, when the Tanaka Ministry came into existence with its "positive policy," it caused Mr. Yoshizawa to go to Nanking on a fishing expedition. Japan's policy in China has always been to play one faction against another. And in this respect, it has not only availed the services of its propagandists but it has made good use of the many Japanese "advisers" scattered over China. Tokyo has always been anxious to prove that these "advisers" are unofficial and entirely on their own but the fact of the matter is that they have always had the interests of Japan first in mind.

Japanese Reaping Whirlwind

These "advisers," attached to the various Chinese militarists, from Chang Tso-lin and Chang Chung-chang to Feng Yu-hsiang and Yang Sen, have freely exchanged information of vital interest with each other! Marshal Chang Tso-lin is said to be fully aware of this fact and it is claimed in certain quarters that it was "General" Sutton who opened the Marshal's eyes to this matter.

There is nothing truer than the saying that chickens always come home to roost and that the Japanese in Manchuria are now beginning to realize the foolhardy activities of its government in China and especially in Manchuria. As already said, not all Japanese in Manchuria see eye to eye with General Baron Tanaka's "positive policy." In spite of all the praises sung by the official newspapers in Dairen, the actions of Mr. Yamamoto are viewed with considerable suspicion by certain of the Japanese community and signs are not wanting that the Opposition at home has been and is being furnished with facts with which to wreck the Tanaka Ministry.

But the greatest point for jubilation is that Washington has most opportunely terminated the scheme to put American interests in China in chains. And another point for congratulation is that, once again, Tokyo has discovered the futility of relying upon the ability of propagandists to bamboozle a wide-awake State Department!

Dairen, November 23. J. A. J

Swiss Authorities Commence Widler Trial

Several sittings were held during the week by the Swiss Consul in Shanghai to hear evidence in the charges brought against Elly Widler, who was described by Judge Purdy in the U. S. Court for China recently at the time of the sentencing of K. M. Crawley for defrauding the governor of Szechuen, as being more guilty than Crawley. The rules of evidence in the Continental court allow many matters to be brought up which are excluded under Anglo-Saxon procedure and much was heard during the Swiss proceedings of the methods used by Chinese "warlords" in securing arms and ammunition. Widler's defense is the same as that given by Crawley in the U. S. Court, namely that the money received was for bullet-proof vests and not for arms.

Hugo Reiss Gets Westinghouse Agency

Hugo Reiss, for many years vice president of Andersen Meyer & Co., Ltd., agents for the International General Electric Co., has formed a new company under the Federal Trade Act using the name of Hugo Reiss & Co., and has been appointed representative for North and Central China of the Westinghouse Electric International Co.

The new firm has opened offices at 15 Museum Road, Shanghai. In addition to the Westinghouse agency, the new firm has also secured many other prominent American agencies, including the Dry Milk Co. of New York. The new firm will doubtless prove a formidable competitor for Andersen, Meyer & Co., Ltd., who were the pioneers in the development of American machinery trade in this country.

Shanghai Exports, Except Silk, Hold Their Own

Exports to the United States from Shanghai up to the end fo October as shown by a report issued during the week by the American Consulate General, amounted to G$37,308,914 as against G$50.155,683, for the same period last year, The decrease is almost entirley accounted for under the heading of "textiles", and this means that there has been a great decrease in the raw silk trade. In other lines of business, the usual volume was fairly maintained. Goatskins to a value of G$2,-849,700 were shipped from Shanghai during the period under review and G$1,636,787 of lambskins, the figures in these lines showing an increase of about a million dollars over last year. Sausage casings to a value of G$2,337,113 is another "high light" in the trade between Shanghai and the United States; another article which stands out is weasel skins, of which G$2,-304,393 were shipped during the year up to the end of October.

MacMurray and Kellogg Reported in Accord on China Policy

The following dispatch dealing with Mr. MacMurray's conferences with Secretary Kellogg on the question of American policy toward China was circulated to the press by the Capital City News Association on Nov. 3:

Washington, Nov. 3.—When John Van A. MacMurray American Minister to China, leaves Washington tomorrow to return to his post at Peking, all differences which may have arisen between himself and the State Department with regard to the conduct of American policy in China will have been smoothed over and Mr. MacMurray will return to China with a clearer understanding of the viewpont of the administration, while officials here on the other hand will have obtained a closer appreciation of the difficulty of the task with which Mr. MacMurray is confronted, according to information obtained reliably here today.

Although State Department officials have consistently maintained that there was no friction between Mr. MacMurray and the State Department concerning American policy in China, it has been no secret to those closely in touch with the situation that the American Minister at Peking and the State Department were not always in entire accord on the line of procedure to be followed.

The Nanking Incident

This is believed to be particularly true as regards the sequel of the Nanking incident when the Ministers of the powers at Peking had drafted a second note to the Nanking government in connection with the outrages perpetrated against foreigners when the Cantonese forces occupied that city in March and which was never sent, due to the opposition of the State Department.

The recent series of conferences between Secretary Kellogg and Mr. MacMurray dealing with all phases of the Chinese situation are believed to have cleared away any misunderstanding which may have existed between them concerning the lines of policy to be followed by this country in China. Secretary Kellogg, while maintaining the main policy of this government unchanged, is believed to have been given to see certain phases of the Chinese situation in a different light while Mr. MacMurray on the other hand has obtained a clearer viewpoint of just what the attitude of the Washington government is and just how far this government will permit itself to be involved in affairs of that country.

While the situation in China is less chaotic at the present time than it was early last spring, it is regarded none the less seriously by officials here as one full of danger with the possibility of new outbreaks at any moment and the task ahead of Mr. MacMurray is viewed as an extremely complicated one requiring the greatest patience and tact in dealing with it.

As regards the evacuation of missionaries and residents from interior points of China which went on during the spring and summer of last year under the supervision of American consular officials in China acting under instructions from Mr. MacMurray, the attitude of this government remains unchanged in sharing the opinion of American officials on the ground in China that residents of distant points should not return to these outlying districts where the protection of the American government cannot be adequately extended to them. The situation in China is not believed, in the opinion of officials here, to have undergone a sufficient change for the better to cause any change of opinion in this respect.

Less Tension Than Formerly

Officials here, while feeling that the situation in China is fraught with danger owing to the existence of the same fundamental conditions which brought about the outbreaks of last year, have been somewhat relieved at the decision of the Nanking government to abolish the surtaxes levelled on foreign vessels entering the port of Shanghai and the postponement of the enforcement of an increased tariff schedule which would have been tantamount to tariff autonomy and which was scheduled to be placed into effect on September 1.

As Mr. MacMurray takes his leave to return to his post at Peking, there is little indication that the United States government is planning to alter its attitude towards any of the governments and to extend recognition to any of the various governments now existent in China. None of these, in the view of officials here, have a sufficient semblance of permanence or stability to justify their recognition at this time.

The position of the administration towards regional governments in China however, is believed to have undergone some change within the past year. It is recalled that Secretary Kellogg let it be known over a year ago that the United States would not grant recognition to regional governments

in China which would not represent the whole of China. There are now indications that the American government would not oppose the recognition of such governments provided that they gave reasonable assurance of stability and continuity.

It is conceded that Senator Bingham of Connecticut, who recently returned from a trip to China and who urged upon Secretary Kellogg the opening of negotiations with such regional governments of China as may spring up with a promise of continuity and security, may have influenced Secretary Kellogg on this question while it is also regarded as possible that the changing conditions in China itself may have led Mr. Kellogg to take a different view of the situation.

Mr. MacMurray sailed from San Francisco on the steamship President Pierce on November 12 for Japan and has in the meantime arrived back in Peking.

Trade Inquiries

The following trade inquiries have been received at the office of the U. S. Commercial Attache, Shanghai.

Filing Supplies, Office Furniture, etc.—Manufacturers of filing supplies (also steel cabinets) office furniture and stationery specialties are interested in developing a market in China for their products.

Sales Agents—A Boston firm is in a position to act as sales agent for China firms desiring to establish or build up a business in the United States.

Radio Sets and Supplies—Manufacturers of radio sets and supplies would like to enter into business relations with some electrical dealer who would like to add this line to his business.

Highway Surfacing—Manufacturers of an asphao highway surfacing that is laid and rolled cold, and requires nlt mixing or expensive plant to prepare would like to secure a representative in China.

Road Equipment and Maintenance Equipment—A firm manufacturing road equipment and maintenance equipment would like to enter the China market. Booklets and price list on file at this office.

Music Rolls—A firm manufacturing perforated music rolls for player pianos is anxious to place these on the China market.

Fountain Pens—An American firm is interested in getting in touch with some one in China to handle its line of fountain pens.

Importers and Exporters—A Seattle firms writes that it is interested in importing from China, wood oil, peanuts, tea and egg products and is well situated to export such products as flour, wheat, fruits, herring and shrimp.

Trucks, Busses, etc.—A New York firm is desirous of securing an agent in China for the sale of its trucks, busses and fire engines.

Hack Saw Blades—Manufacturers of metal cutting hack saw blades are anxious to get in touch with someone willing to act as distributor for the sale of their product.

Magazines—A Boston firm is interested in securing in China a market for back number American magazines.

Portable Phonographs and Repair Materials—Manufacturers of portable phonographs and of repair materials for all makes of phonographs are desirous of entering the China market.

Lighting Fixtures—A West Coast firm is seeking an agent in China for the sale of its lighting fixtures.

Claim Soviet Will Pay U. S. Debts in Exchange for Recognition

Soviet Russia is willing to pay her debts to Americans in return for recognition, according to the members of the American Trade Union delegation which has just returned to America after studying conditions in the land of Communism.

The delegation issued a statement to this effect according to a dispatch appearing in the *Chicago Tribune* on Oct. 2, which stated that the Russians would make such payment with the further condition that their action would not be considered a precedent to be binding on them regarding their debts to other countries. The estimated total of Russian debts to America is G.$59,000,000.

"Russia After Ten Years," is the title of the statement. It declares that the "responsible heads of the Russian government" offered to settle the American claims against Russia in return for recognition, "provided such settlement would not constitute a precedent compelling Russia to grant similar treatment to other countries."

Serious Economic and Political Situation in Shantung

BY J. A. J.

IN recent weeks, the headquarters of the Ankuochun have sent out a series of reports concerning the Northerners' "victories" over the armies of Yen Hsi-shan and Feng Yu-hsiang and also "advances" against the Nationalists. With an energy worthy of a better cause, and possessing considerable ability to compose war fiction, the propagandists of the Ankuochun have succeeded in raising false hopes in certain sections. However, any amount of romancing to the contrary notwithstanding, the facts always become known in the end, and conclusive information is now available that in every direction the Northerners are in a bad fix. Unable now to accomplish any further advance against Shansi, and facing the danger of a combined Yen Hsi-shan—Feng Yu-hsiang offensive, Chang Tso-lin, who glories in the titles of "Dictator" and "Generalissimo," is now determined to effect peace with Yen Hsi-shan, before all is lost. Tuan Chi-jui has been requested to act as mediator. Marshal Tuan and Governor Yen both being members of the Anfu party, the "Generalissimo" considers there is no one in a better position than Marshal Tuan to act the role of mediator. Whether Tuan considers it the same seems very doubtful however. Meanwhile, the Nationalists have crossed the Grand Canal and occupied valuable positions, whereas Feng Yu-hsiang, so often reported defeated by the truth-twisters of the Ankuochun, is indeed very vigorous with his share of the business of harassing the Northern armies. He has captured Yuncheng and is in all probability making for Tsining as his next stepping stone. Sun Chuan-fang, the pride of Shanghai "die-hards," is skulking in Tsinanfu. The whole picture is not a pretty one for the Northerners. It is no wonder that in their present tight situation they should be anxious to come to terms with Yen Hsi-shan. Their propagandists have been promising the capture of Taiyuanfu, and their generals have been insisting upon the necessity of first capturing the Shansi capital, before effecting peace with Yen Hsi-shan, but now they admit Taiyuanfu is as far as Tipperary, and give a lot of fairy-tale excuses for not having retaken Chochow. These Ankuochun propagandists would seem to have taken their cue from European propagandists in the great war. There is one thing we must give credit to the Ankuochun propagandists for, and that is their refraining from making "atrocity" charges, against the enemy.

Japanese Interest in Chinese Tactics

The Japanese military experts have always paid much attention to the tactics of the various Chinese warring factions. One of them, Lieut-General Y. Takayanagi of the Japanese Garrison in Manchuria, compares Chu Yu-pu to a wild boar in that he has been guilty of many a reckless advance. (The comparison may have been made mainly on account of the Chinese character "Chu" signifying such.) Lieut-General Takayanagi considers the effects of Chu's latest blunder to be beyond retrieve. The Japanese have often commented upon the higher military efficiency of the Nationalists.

It is a noteworthy commentary upon the sad state of affairs in Shantung that whenever rumor gets about to the effect that Feng Yu-hsiang's advance into Shantung is materializing, the people generally would hail it with unbounded hopefulness. Such is the widespread unpopularity of Marshal Chang Chung-chang that traders and farmers can hardly bear hearing his name, and in various districts they have gone to the length of putting up armed resistance against his tax collecting proclivities. In order to twist the facts and hide the real issue, the authorities have dubbed as bandits the members of various anti-graft associations. We have been assured time and again by the Kiaochow authorities themselves that the territory is free of bandits, excepting a very small number of malcontents, and foreign residents and missionaries who have local conditions pretty well at their finger tips have likewise informed us that about the only time the bandit situation was serious was when the territory had just passed into Chinese hands. The Chinese police system in the territory had not yet been sufficiently organized, and malcontents were taking advantage of the situation, but the number of bandits prowling about and around the territory at that period never exceeded a hundred altogether. The only time the bandit menace was very serious in Kiaochow territory was in the early years of German occupation. The police administration of the Germans had to depend a very great deal upon interpreters, the majority of whom, sad to relate, were often in league with malcontents. Gradually the Germans became conversant with the

language of the province and with this important adjunct they were able to efficiently educate Chinese assistants and thereafter got rid of the unscrupulous interpreters. During the time of the siege of Tsingtao, malcontents again increased in number but after the Japanese occupied the territory, conditions became normal again.

It is customary for Chinese military authorities to dispatch a smaller force than the number of bandits when suppressing the latter. In Shantung, it is customary to dispatch a force amounting to one-third the number of bandits. The explanation is that the government troops are better equipped than the bandits who, more often than not, are armed with old-fashioned pistols or rifles, with a limited supply of ammunition. In some instances, in mountainous sections for example, the percentage of government troops is increased but the ratio has never been known to exceed one to one.

The usually well-informed *Tsingtao Times* has on more than one occasion dwelt upon the absence of bandits in the Kiaochow Territory. However, recently, the *Tsingtao Times* came out with the announcement that:—"A thousand troops under command of General Chu Hsiang-pen returned from Kiaochow on Thursday and Friday. They have been suppressing bandits around Nancheng, etc. half of the bandits having surrendered and the remainder having fled."

Not Bandits, Merely Peasants

Now, we say in this province that the Shantung authorities cannot have it both ways. Either the Kiaochow Territory has been freed of bandits or it has not. Assuming it to be the case that the territory has been free of bandits in the past, how comes it that in spite of the ever-increasing soldiery in the territory, conditions should have been permitted to become so serious that at last General Chu Hsiang-pen had to lead no fewer than a thousand men into the bandit stronghold? But we say, after gathering all the facts, that the people whom the valiant general has been suppressing were no bandits at all but members of various organizations formed by the highly dissatisfied peasantry for the purpose of opposing up to the hilt the taxation orgy under Marshal Chang Chung-chang's sanction. There is a suspicion that when the full facts are made known to the outside world, there will be an expression of widespread indignation against the barbarous practices of the Shantung military. Recently, several villages in Kiaochow territory were destroyed and many women and children put to death, it was said "in order to instill a salutary fear into the minds of opponents of taxation."

However, no effort is being made here to deny an all-round increase in the number of bandits in the entire province of Shantung. One informant at Chucheng states that, "Against the ravages of the bandits the Government render no adequate protection, if any at all."

Trade Killed in Shantung

Trade in Shantung has been killed to a very extensive degree by the taxation orgy. The moneys which the traders, farmers and others in Shantung have been made to pay up during the past twelve months under the guise of some tax or other represent a huge fortune but the Shantung Tupan, like all others of his ilk, has never even hinted at how these sums have been squandered. "Loans" have been forced out of the trading community through the chambers of commerce and "levies" have been imposed as only the Shantung authorities know how, but not a thing worth while has ever been done by them in the interests of the public.

New taxes are being invented with an energy worthy of a better cause. For example, they have just hit upon a "Shop Signboard License Tax," all shops with a capital of less than $200 each being required to pay $2 annually for their licences. Then there is the coal tax, roughly $2 a ton, "for the protection of mining industries," which is interfering with the coal trade and hampering the work of factories relying upon coal as motive power.

This taxation orgy has caused an exodus of the peasantry from this province and those traders and manufacturers who have been able to do so have all left for healthier climes, such as Antung, Dairen and Newchwang. As already written in the *Review*, the impossible state of affairs in Shantung has caused the migration of an unprecedented number of people this year from Shantung to Manchuria. Countless villages have become depopulated by two-thirds of their inhabitants. From such villages as those south of Ihswei, Kuhsien and Ichowfu, young men and women with their children as well as older people are leaving under all kinds of conditions, mostly very pitiable.

A trip through certain sections of the interior has caused the writer to observe, for one thing, that a large section of the farming population is clothed in rags. The peasantry look emaciated. New cotton clothes are too expensive. Southern Shantung supplies Tsingtao with eggs for export. Of late, the Japanese have carried off all the eggs available on the strength of supplies of secondhand clothes.

What with land taxes, taxes on capital (from 2% to 5%) and cattle (for butchering cattle one dollar is collected per head, for pigs 30 cents and sheep 20 cents), the province has been bled white. And now, by order of the government, cultivation of opium is introduced. Of course, there is a class of farmers who welcome this official encouragement to plant the poppy but this movement will put the finishing touch upon the ruination of the social morals and prosperity of the population.

Whereas all old "loans" secured by the Shantung authorities are being repaid at a discount of 40%, new bonds are being forced upon the market. In order to intimidate the community into buying these bonds, the military parade the streets.

Huge Migration to Manchuria

This year the number of people who have left for Manchuria for good has been so great that farmers are making the prediction that next year there will be a shortage of farming hands in Shantung, tending to affect crop cultivation and, consequently, to further augment the cost of living, which is already very high.

It is no exaggeration to say that were Marshal Chang Chung-chang to go the way of Marshal Sun Chuan-fang there would be no tears of sorrow shed over it. As a matter of fact there would be widespread jubilation. The Northerners have made capital out of their "fight against Bolshevism," but in Shantung they have created and permitted similar conditions to those existing under the Bolsheviks. There is no freedom of the Press or speech; people are arrested and imprisoned on any trumped-up political charge; barbarous practices are observed to extort "Confessions," and judges are subservient of those for the moment in authority. Furthermore, female prisoners undergo every disgrace and indignity imaginable, and fortunes are spent on banquets and sing-song girls by the militarists.

Conditions such as these cannot but cause great irritation to the peasantry. The Boxers and the Red Spears have been active, but many of them have been killed in collisions with the military, and numerous villages burnt down south of Kaomi and Kiaochow. If it turns out to be the case that on this occasion both the Nationalists and Marshal Feng have secured a firm foothold in a section of this province and are seriously threatening Tsinanfu, the Boxers and Red Spears are sure to take advantage of it in outlying districts to give short shrift to Chang Chung-chang's soldiery.

It is a pity that every time the Nationalists have a brilliant opportunity to invade Shantung on a grand scale, they find themselves in a negative position due to bickerings between party-factions. For one thing, however, Feng Yu-hsiang is making his presence felt. The Japanese are already getting busy. Major-General Arai, Commander-in-Chief of the Japanese Garrison in North China, is on his way to Tsinan and thence he is to proceed to Tsingtao. Under the "positive policy" slogan, the Japanese militarists would again pour troops into Shantung for the purpose of "protecting Japanese interests" but in reality to baulk the Nationalists and Feng Yu-hsiang from advancing upon Tsinanfu, permitting the Chihli-Shantung forces to re-rally and to obtain certain privileges hidden from all but the eyes of the gods.

Feng's Troops Well Equipped

Since the above paragraphs were written, news comes that reinforcements are being rushed to Yehchow, where the forces of Chang Chung-chang and Sun Chuan-fang are making a desperate attempt to stem the advance of Feng Yu-hsiang, who would seem to have crossed the Honan border into Shantung at two points, namely from Yucheng to Shanhsien and from Linho to Tsao-shien. Thrown into a semicircle from Yenchow to Tsowhsien, the combined Chang Chung-chang and Sun Chuan-fang forces number some 56,000 men, including a few battalions of White Russians.

Feng's troop are computed at 36,000, all well-equipped and far from being the unkempt fighters the Northerners would make them out to be. The casualties have been heavy on both sides, the Shantungers alone having lost 8,000 in killed. When the invaders occupied Yuncheng, they met with practically no resistance, the Shantungers falling upon Tsining in a hurry, in order to consolidate their position.

The Nationalists and Feng Yu-hiang have in the interval occupied Hsuchow and, it is said, Haichow. From Kaiochow troops have been rushed forth to some unknown destination. The squadron at Tsingtao has taken in 1500 tons of coal and, presumably, is to bombard Haichow.

There being now a tendency to transport soldiers on a great scale over the Kaiochow-Tsinan railway, it is considered that the Japanese will take it as a pretext to again pour troops into Shantung. It will be a repetition of the previous trick to baulk the Nationalists. As a matter of fact, General Arai of the Japanese North China garrison has been in Tsinan and it is considered highly probable he has come to an understanding with Chang Chung-chang.

Taian, November 28, 1927.

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43-053

America Helps Japan to Annex Manchuria!

BY C. Y. W. MENG

A recent telegram from Tokyo says: "The Japanese government is considering the formation of a colonial department, and plans for it have been submitted. The new department would take over all immigration matters, now handled by the Foreign Offices, and all affairs relative to the South Manchuria Railway and special business organizations in the colonies. Under the colonial department it is planned to form a Manchurian council to obtain greater cooperation in the working out of Japan's Manchurian projects."

Another telegram on the same date from Tokyo which appeared in *Nippo Dempo*, a Japanese newspaper in Shanghai says: "The Japanese government has come out to assume the responsibility of sixty million yen, known as the South Manchuria Railway Loan. Secret negotiations have been going on between Mr. Yamamoto and Mr. Thomas Lamont. As soon as negotiations are over, they will petition their respective governments to ratify such undertaking, and the colonial department is sure to give its consent."

Further, from Reuter's American service we learn that a conference, believed to be concerned with impending financial transactions in the Far East, was held recently at the State Department at which were present Mr. Thomas Lamont, a partner in Messrs. J. P. Morgan & Co. who has just returned from Japan; Charles Mitchell, President of the National City Bank of New York, F. B. Kellogg, Secretary of State, Mr. Olds, Assistant Secretary, and Mr. Johnson, Chief of the Far East Division of the Department of State. Officials are extremely reticent concerning the conference."

Again, in the *Nippo Dempo*, there appears another telegram from Tokyo to the effect that Mr. Lamont is said to have requested President Coolidge's consent to the forty million (gold) loan, known as the South Manchuria Railway Loan.

What is meant by the South Manchuria Railway Loan is that the Japanese Railway interests in Manchuria are anxious to improve the financial condition of their railway, and in order to do this they are trying to raise funds from outside.

"Special Interests"

The above undertaking by the Jamanese is nothing surprising to us. We know too well that Japan is always claiming to have "special interests" in Manchuria. So, when the South Manchuria Railway is in bad condition, the Japanese look at it as something of great concern to Japan. The Japanese diplomats lose no time to grasp the opportunity, such as the establishment of the colonial department in Manchuria while financiers and bankers are quite eager to buy the bond notes.

A further review of the part Japanese diplomacy plays will reveal to us that such undertaking is not the first one. The modern history of the world has told us that many nations have scored some great diplomatic success just by such process. By defeating her great neighbor in 1893, Japan showed to the world that she was struggling for equality. By winning from Russia in 1905, Japan showed to the world that she was very interested in east Asia. By driving Germany out of Shantung in 1915, Japan showed to the world that she desired to have a "free hand" in the Far East. By presenting the notorious "Twenty-one demands" to China in 1915, Japan showed to the world that she had the intention to devour her weak neighbor.

However, by defeating Russia, it does not mean that Japan had eliminated her big enemy in the Far East. Events following the Russo-Japanese war and events before the death of Lenin, showed that Russia and Japan were really bitter enemies and great rivals. Japan adopted a very aggressive policy towards Russia. Under the sound doctime of protecting "White Russians," Japan joined with some European powers in despatching troops to Siberia. But underneath, Japan had her own motive—that is, the occupation of North Manchuria.

Japan Joins With Russia

But the situation was entirely changed when Lenin passed away and a new Soviet president came to office. Since, then Russia hus changed her policy from "down with Imperialism" to "join with Imperialism." Under his reign we see, soviet Russia suddenly ratifying debts contracted under the Tsar government. Russia also yielded to the demands of the French government for the withdrawal of the Russian embassy from Paris. Russia also joined the International Disarmament Conference. As to Japan, Russia assumed a friendly attitude. One frequently saw Japanese delegations crossing over to Russia, and Russian visitors travelling in Japan. That is to say, Russia and Japan were making friends with each other.

Those who are familar with events in the Far East will know that the interests of both Russia and Japan are really inter-dependent, and so long as they look at each other as enemies and rivals, it hurts them both. Russia realized this, so has Japan. This explains why both of them at last changed their policy. By some sort of agreement, and exchange of priviliges, rights and interests, they at last adjusted their differences. Japan has now forgotten the Red menace; while Russia now looks upon Japan as a beloved friend. In other words before the death of Lenin, Russia and Japan were enemies and rivals. But after his death, and after a realization of their mutual dependency, they made friends again.

Though having driven Germany out of Shantung, and by another friendly gesture, having won the good will of Russia, it does not mean that Japan has no enemy in the Far East. She has America to face! But due to Japan's crafty diplomacy America has become not an enemy but a "helper" to Japan.

As we have said above, the discussed undertaking is nothing surprising to us. From the rise of Japan to the present day, it is quite clear to us that the Island Empire has always been looking to Manchuria as a place for her colonization. Indeed, as it is too late for Japan to colonize abroad where could Japan seek for an uncultivated land except intruding into the land of her weak neighbor? Before the end of the 19th century, Japan adopted the aggressive policy of the West. But since the 20th century, she also copied the same "peaceful penetration" or "economic exploitation" policy of the West.

American Policy Criticized.

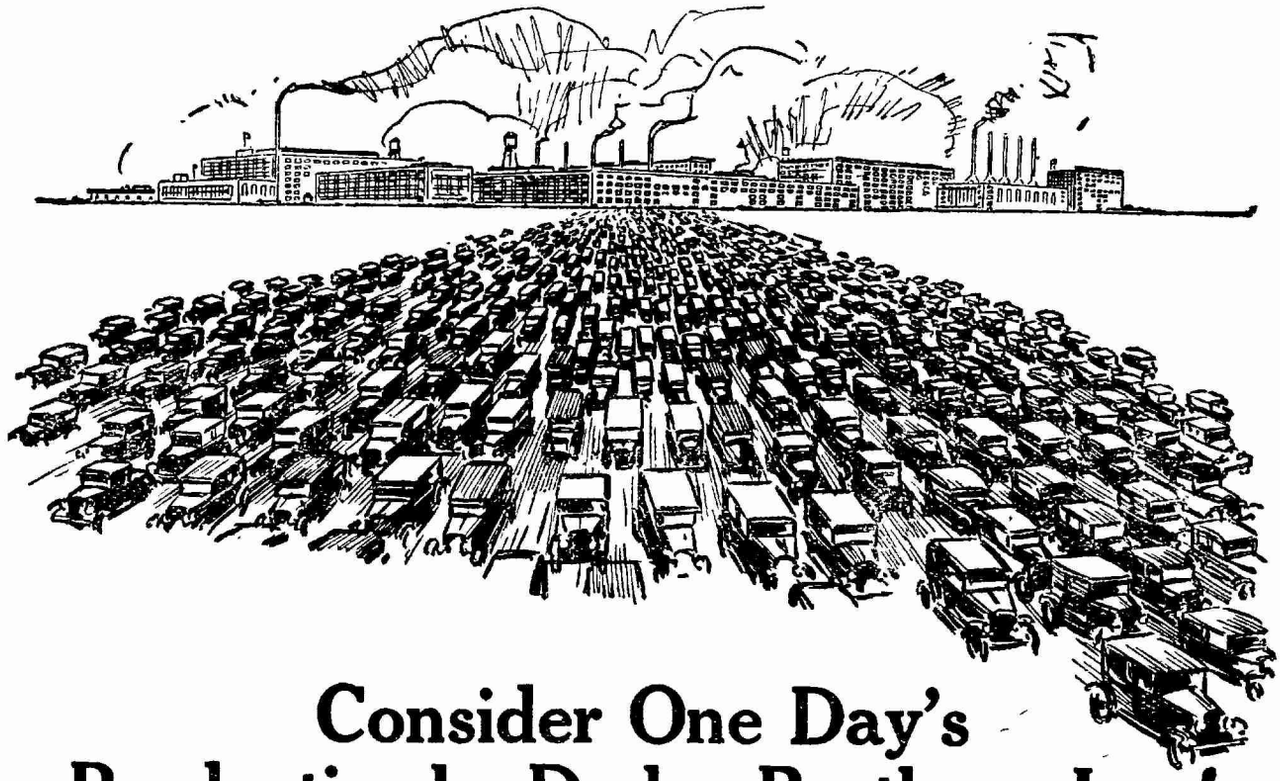
The only thing that strikes, as well as dismays, us is the American participation in the Japanese peaceful penetration or economic expoitation in Manchuria. It is now known that Japan is trying to raise funds to improve the financial condition of the South Manchuria Railway. It is quite clearly a fact that in doing so, Japan has her own clandestive motive underneath. But we wonder why America is willing to be involved. The above-quoted telegrams show clearly that America is one of the parties.

America, by her declaration of war against Spain in 1895, and by her taking the Philippine Island from the defeated nation, and by her participation in the world war in 1917, has practically undermined her traditional foreign policy—the Monroe Doctrine. America, by her "stupid pertinacity" in insisting on treaty rights in China and by her taking part in the "joint note" presented to China by other treaty powers in protest against the alleged violation of the treaty rights provided by the out-of-date treaties, has practically destroyed her self-proposed "hands-off" policy in dealing with Chinese domestic affairs. America, by her failure to give some substantial assistance in furthering the legitimate aspirations of the Chinese and by her failure to recognize the New Chinese Nationalist Government which now controls more than two-thirds of China proper, has practically aroused the suspicion of the Chinese that the Americans are only sweet in words but imperialistic at heart. On the one hand, she talks loudly of "friendship;" "hands-off policy;" "open door policy," etc., but on the other, her men-of-war can always be seen side by side with the battleships of other powers. In the time when the other treaty powers are just wondering as to what policy they should adopt towards China, any step taken by the Americans is certainly of great significance. Should America say, "we will recognize the Nationalist Government as a *defacto* and *de jure* government of China," other treaty powers would be bound to follow. It is our conviction that such recognition will have the just effect of putting an end to the civil strife in China and in placing China in proper order. But so far, we have been much disappointed. Worst of all it is now reported that America is willing to help Japan in providing for her a sum of forty million gold as a part of the South Manchuria Railway Loan. America certainly knows quite well what are the Japanese motives in this, but if America actually does it, it gives rise to a presumption that America has departed from her traditional policy and is joining a conspiracy with Japan in stealing Manchuria from China.

While the world is still in bad financial condition and most of the European nations are still overburdened by debt, as a result of war, America alone is afraid of becoming "too rich." President Coolidge, in calling the attention of his people to the danger of a doctrine of surrender and decay, says, "The financial situation is so good that we can consider development of public works, including flood control, and can 'round out' the navy with more submarines and cruisers, and encourage especially commercial aviation." It is natural that if a man has more money than he needs, he has to dispose of it in some way. But in lending money to Japan to further her clandestine motives in Manchuria, America would be guilty of something which might have the just effect of arousing the moral indignation of four hundred millions of Chinese.

Shanghai, Nov. 25, 1927

43-054



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43-055

U. S. Negro Evangelist Holds Meetings Here

BY M. J. H

E. A. Carter, American negro, former "end man" with a travelling minstrel show, "buck and wing" dancer and jubilee singer, and later an entertainer on the Orpheum vaudeville circuit but now a Protestant Christian missionary preaching the "oneness of all peoples" believes he may be the "man of the hour" in the rapidly changing affairs of Chinese and Occidental missionaries in China.

Carter recently came to Shanghai. "God made him get off here as he did'nt want to leave his steamer," in the words of an American missionary who got acquainted with Carter soon after he landed. He had just completed two years of missionary effort in India during which time he claims he converted 30,000 Indians with the aid of an interpreter who could speak seven languages. Carter had no money, three children, one of whom was seriously ill, and no prospects for any income whatever. Some American missionaries learned of his plight, listened to his declarations of Christianity and suggested that he might like to conduct a Christian service for Chinese.

"I jumped at the chance," Carter now says, in telling of how he came to begin conducting meetings in Shanghai. "I think they were trying me out to see if I really was a Christian. I did'nt know anything about Chinese and two years ago when

Evangelist E. A. Carter and His Three Children, William, Edward and Marion.

I first saw Shanghai I swore I never would return there. But the Lord seemed to say, 'Carter, get into it,' and so I said alright."

Today this "black missionary", as he has been termed by the Chinese, is engaged in conducting daily revival meetings in Chinese and missionary churches. The gatherings are attended primarily by Chinese although many other nationalities are seen in the audiences, Carter is having to turn crowds away as they cannot get inside the buildings where his meetings are being held. That the Chinese have "taken to him" seems to be well established. As a result, Carter thinks he is the "man of the hour" in Protestant Christian endeavor in China.

The Racial Element

"For years before I ever saw China I heard stories how things were'nt any too good between Missionaries and Chinsee Christians," Carter said soon after his arrival here. "I dont know how true that is, but even so, with all this trouble and fighting out here of recent months, when I arrived it didn't seem to me that the yellow and white men were getting along any too well, and this sure extended into the ranks of Christian workers. So when the opportunity came to me to try my hand here and see if I could'nt do something to get us all together and help the work of the Lord, I believed it was a command from the Lord. He saw it was time to do something and with the results we're getting, He was right."

Carter has proved to be somewhat of a sensation in Shanghai. He has presented something new in the life of this usually blase place. Not only has he inaugurated revival meetings which seem to be slated to continue for the next year, but he has injected an element of the theatrical life of his earlier days which has appealed to Chinese and foreigner alike. Carter has been in Shanghai but a few weeks. During this time he claims he has converted hundreds of Chinese and scores of foreigners and that all is needed is time to add thousands more to the rapidly growing list.

Carter came to Shanghai from India where he had been in missionary work for two years. His wife was of the Indian Punjab, Mary Stewart, whose father was the skipper of a Pacific freighter. Mary's father brought her to the United States when she was but a child. Her father died, Mary became a Christian and sang in a church choir in Los Angeles. It was there that Carter met her. That was in 1915. Carter had been converted a year and was just getting started in his "independent preaching", as he calls it. Carter and Mary Stewart were married in 1915 and up to 1925 spent most of their time in Western United States conducting Christian revival meetings, Early in 1925 they thought they should go to India, where they arrived in June of that year.

Until February, 1927, the Carters worked among the native people of Mrs. Carter. Then she died and Carter decided he had to return to America to put his children in school, who are just ready for the grades. When they got as far as Shanghai, one of the youngsters was sick and the ship's docter forced them to leave the ship and put the boy in a hospital.

"We did'nt have no money and they took my boy to a hospital which costs about $20 a day," Carter recalls of his first day in Shanghai. "I didn't know what was going to happed, but I never lost my faith in the Lord. He had always provided and I knew He would then. I just prayed and the folks at the hospital seemed to be a pretty good crowd. It was then I met a missionary man in the hospital. He wanted to know what I was doin' here where negro missionaries up to my arrival were unknown. I told him the state of affairs. He said he wanted to help and from there we got started. They gave us a good place to stay, plenty to eat and asked me to get to work. My boy got well and now we're working to spread the word of the Lord in this poor land."

Enthusiastic Meetings

Carter conducts his meetings with the enthusiasm of the "old time" revivals of days gone by in the American south. He isn't a southern negro as he was born in Colorado, went to school in New Mexico for the great part and spent the early working years of his life in the show business in the Middle West. However, he says he's "got the Spirit," and he is proving popular with the Chinese.

And he sings and preaches in a language which not one in one hundred Chinese understands. English is the only language available to him. His messages are being given to the Chinese through an interpreter and the Chinese who has this job is a busy man. Carter talks fast and furious and sometimes he forgets to stop and give his interpreter a chance. Other times he feels this interpreter is not translating things with the vim with which Carter has said them. "Git into it and give'em the feel of what I say," is the way Carter describes what he often says to his interpreter in the midst of a service.

And in spite of the difficulties, Carter is getting his message "across." His meeting houses are packed daily and now he and his American missionary advisers are considering the building of a tabernacle where he may continue indefinitely and have a hall adequate to the demands.

When Carter was put off the ship here, he had his passage booked all the way to San Francisco. At first he retained his passage for a later ship of the same line but now he has cancelled his boat fares, put his children in school and settled down to a work which is novel to Shanghai, heartily approved by missionary circles, both Chinese and foreign, and in the mind of Carter, "Desired by the Lord or He would have never put me off that ship when He know I didn't want to come here."

Carter's career is a checkered one. He does not think of himself as a minister. He declares he is an "independent evangelist" and when introduced is called "Mr. Carter." From the time of Carter's birth in 1877 in Colorado he has been on the move. Carter's father was a "buck and wing" dancer and his mother was a singer in a minstrel show, Carter grew up in the show business. As a youngster he took part in the minstrel show with which his parents travelled. He doesn't remember when he began. In his words, he "just started."

Along with his vaudeville work, Carter got snatches of a grade school education here and there. Finally he managed to get into a school of higher learning for negroes at Santa Fe, New Mexico, from which he was graduated. Then he went into the show business in earnest. He travelled with outfits known as "Mastadon's Jubilee Minstrels." "A Hot Time in Coontown," "The Watermelon Trust," and others and for a time was the main attraction as a dancer in the "honkytonk joints" of San Francisco and other Pacific coast and Southwestern cities. This took place years ago when Carter was a young man.

Later he says he "broke into" the Orpheum circuit of vaudeville and other similar circuits, heading a troupe of

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negro singers and comedians which visited virtually every part of the United States.

"In the old days when I was a minstrel dancer.I led a fast life and sometimes made big money and sometimes none at all. We used to play for a 'cut' on the house or for a salary. Sometimes we made a killing, other times not so good and sometimes the theater manager held out on us. We never knew whether the 'ghost' was going to walk or not but we had a big time all the time."

Later in Carter's entertainment career he travelled independently, heading his own company which played all sorts of communities. He spent much time in the Southwest playing before mining audiences and cowpunchers. He even went into Mexico for a time. Later he jumped into the Mississippi valley, toured the great Lake country and then went into Southeastern Kansas, Northern Oklahoma and Southwest Missouri, playing to oil drillers and zinc miners. Carter tells a story of a trip through this area during which his company "fell apart."

When Times Were Hard

"We had'nt been doing so well," Carter recalls. "We had been in Wichita, Kansas, but our show did'nt go so well. We went into Oklahoma but it wasn't any better and the company split. Times were hard. I told them to go but a couple of singers stayed with me. We got into Joplin, Missouri. I forget what year this was but the zinc miners had plenty of money. We put on a skit called 'Plantation Scenes." It got over big. The miners called for more and we danced and sang until we were all in. From there we went to Springfield and later made it into Kansas City.

"That life was wild. Booze flowed free all the time. I used to drink a water tumbler of whiskey before show time and then I knew I would go over big. Oftentimes we were entertained by prominent people wherever we happened to be and they wanted a private show. Champagne was icewater to me in those days. How I stood it I dont know. I got up as high as $275 a week in money. Plug hats, fur coats and pigeon blood rings were common trappings to me then."

It was during a show trip into Los Angeles in 1914 that Carter says he "got religion."

"We, me and the boys," said Carter, "were sitting in a saloon after a show, The drinks were coming fast. All of a sudden I lost my desire to continue. The boys asked if I was sick. I said 'No, but I'm through with the wild life. They laughed and said' drink up,' but I was through. I went to my boarding house and tried to pray. I did'nt know how. I said, 'God, if You got anything for me give it to me now or I'm a goner,' The Bible says, 'Thy sins are forgiven thee. Go into all the world and preach My gospel.' That is the spirit I got that night. I knew nothing of the Bible but God helped and gave me some sense.

"I started out going from house to house trying to interest people in the Bible. In the meantime my show boys laughed and saide I'd gone crazy and that I would be back with them. But I know I wouldn't. I lacked courage in those days. I later got a job as a cook in a rich man's house and tried to read the Bible at the same time. One might he had a lot of moving picture folks to dinner. He thought I was 'cracked' on religion. He told his guests not to mention the Bible to me or I would start preachin' on the moment. Some pretty woman asked me and it hit me right. I started talkin' and before that was over I had converted my boss and he poured liquor into the sink by the gallon.

The Urge of India

Soon after that I started holding revivals and travelled up and down the Pacific coast. It was in early Spring, 1925, at Pasadena, Cal., that I got the idea I ought to go to India. Some of my white friends thought so too and they put up the boat fare for me and the family. We arrived in Calcutta June 25. We soon got in touch with a Methodist missionary group founded by an Ohio organization and they helped us get going. We worked hard and made many converts while we were there.

"When I left there for San Francisco I said nothing was going to stop me. I was headed for home and school for the kids. But the Lord put me off here and if its His will for me to stay I'm willing, We're going to do big things before we quit in Shanghai. I believe the time's ripe for some real results in spite of all the missionary work which has been done here before me. It's wonderful how the Lord provides. All I'm getting out off this is a living for myself and the youngsters. I don't want any more. I made real money in the show business but this life is more real and lasting."

As this unusual person tells the story of his life he leaves out many details of material things and just how he has kept "body and soul together" during the time he has been working as an independent non-denominational missionary. But to listen to him is to remove all doubt of his sincerity. Since being here has conducted as many as five meetings during one day. His activities have not been confined entirely to Chinese audiences or foreigners who might stray into a Chinese meeting.

He has talked before companies of the British military forces stationed here and also to the American Marines and sailors. He drew crowded houses at these meetings and the men said they liked him and thought him to mean what he said

Carter thinks he will get back to the United States sometime but he does'nt know when.

"I have'nt had a drink since that night in 1914 when the Spirit of the Lord came to me in that Los Angeles bar. We may not chase the saloons out of Shanghai but we're saving men's souls and there's a big field here. I may have to stay here a long time.

"I'm just God's harvest man. I'm helpin' people to git right and stay right."

Shanghai, Dec. 2, 1927

Nanking Would Curb Operation of Foreign Radio Stations

The Ministry of Foreign Affairs of the Nationalist Government at Nanking, according to a report by the *Kuo Min* News Agency on Nov. 30, has instructed Quo Tai-chi, commissioner of foreign affairs at Shanghai to lodge protests with the foreign authorities at Shanghai against the erection of wireless stations in the foreign settlements. The protest follows:

1. That all wireless stations in China, those erected within and exclusively used by the Consulates excepted, shall be taken down within a given period regardless of the nature of their ownership and business;

2. That those Consulates which do not at present possess wireless stations shall refrain from erecting such stations in the future; and

3. That while permission is hereby temporarily given to various Consulates to let their wireless stations remain as they are, the Consular authorities, on the other hand, are requested to limit the use of their stations to official messages only, all other messages, private, commercial and otherwise being strictly prohibited. Moreover, the time of despatching and the wave-length of the staions must be communicated to the Chinese Government stations so as to avoid interference.

In his communication to the Senior Consul and the French Consul-General, Mr. Quo is understood to have pointed out that the use of wireless telegraphy is a national right of China which no foreign government and its nationals are allowed to exercise in any part of China whether within or without the Settlement limits, and that foreign countries and nationals by so usurping China's right, not only infringe upon China's sovereignty but also violate a fundamental provision of international law. Below is a list of foreign-owned wireless stations known to be operating in the Settlements in Shanghai:

French Radio Stations in Shanghai.

Station A—Route Voyron (Koukaza)
Capacity: One SFR 4½K.W. spark set finished in 1913.
One CGR 15 K.W. quench spark set finished after Washington Conference.
One 500-watt short wave tube set finished in 1925.
Traffic:Spark sets with steamers and Asia land stations.
Sometimes with Manila, Hongkong and Hanoi.
Short wave tube set with Hankow, Tientsin, Shanghai-Kwan, Peking, Manila, Hanoi, Saigon, Straits Settlements, Australia, France, North America, South America, New Zealand, Russia, Germany, Japan,Alaska, Etc.
Income: 2,000 dollars monthly from steamers.
10,00 taels monthly from newspaper companies.
Dues from Customs unknown.
200 dollars from Pilot Association.
A few hundred dollars from Dollar Steamship Line, Standard Oil Co. of New York, etc.
From Asia land stations and other places unknown.

Station B—Route Winlin (on Avenue Petain near Siccawei)
Capacity: One K. W. short wave tube set constructed in France and finished in 1927.
Traffic: With France and other stations.
Income: Unknown.

Station C—Route Frelupt
Capacity: 3 K. W. SIF long wave tube set. Building finished. Iron masts arrived. This set is under test in France and will be shipped to Shanghai soon. Income: Under construction, no income.

Kuokaza station controls the other two stations. All these stations were erected under the simple excuse to broadcast weather warnings. Sometimes they help Chinese Militarists, for instance, assistance was rendered to Mukden during the Chekiang-Kiangsu war and also other civil wars. But they were all kept secret.

American owned Radio Station in Shanghai

American Consulate at Shanghai, Whangpoo Road. Has a Station: 2 K. W. Spark Set. Call Signal N. P. J.
Traffic: With Peking, Manila and American Navy.

British owned Radio Station in Shanghai

Income: Unknown. *North China Daily News* Building, Bund. Has a
Station: 50 Watts Short Wave Set.
Traffic: With Foochow and other places.
Income: 500 taels per month.

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Grover Clark, Editor

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Higher Idealism for China

(From the Christian Science Monitor)

The trail of China's civil war has dragged a restless length across so many uncertain months that the western world has changed somewhat its earlier attitude toward it. It is as convinced as ever of the large importance of the movement, but its primary attention has shifted, in a degree, from the chances of ultimate success of the various confusedly named leaders to matters which affect Occidental interests both now and in whatever future is to see the struggle determined. Not the least of such concerns has to do with what lies ahead for mission work in the great Chinese Republic. Nearly 10,000 individuals from Europe and the Americas were devoting their lives to this activity, and the aggregate value of the properties involved ran to something like $80,000,000. With the spread of disorder, practically all these laborers were forced from their posts, and the material loss already has been considerable with the end not yet. What final disposition of the whole unsettled situation can be made is a difficult question to answer albeit some reasonably assured solution must be won.

Much has been spoken and written of this by men and women who should be authoritatively informed, but yet whose opinions vary as the poles. The pessimist is persuaded that China is through with orthodox Christianity for an indefinite number of years, and yet Dr. Lew, talking to this text in London the other day declared: "Christianity is going to be the most potent factor in the building of China's new nationhood." If every shade of conviction shows between these extremes, the more optimistic note is the one oftenest sounded. For example: Dr. Harold Balne, of the Tsianfu University, with a score of years' experience there, said recently that the "church is winning in China. A purer Christianity will emerge from the militarism on the one hand and the communism on the other." Again, in an interview granted this paper, Dr. Henry Hodgkin, president of the National Christian Council of China, summed up his opinion regarding the mission outlook with: "All talk of the collapse of Christianity in China or of the impossibility of carrying on further missionary labor is utterly baseless. The native Christian church is facing a delicate state of affairs with noteworthy courage and steadfastness."

Four interestingly different suggestions have been made in the course of this discussion. One, more than once emphasized, has been that, from this time forth, the effort of the orthodox Christian churches throughout the whole Orient will succeed, fundamentally, only as it is held apart from political activities. The Chinese, we are told, have been unfavorably impressed by what appears to them an alliance between much that has become known to them as Christianity and "Western imperialism." What, then, has shown itself as an anti-Christian movement is, at bottom, a clear call to the missions to disentangle themselves from all political complications. The argument runs that the sole practical way to overcome this conviction (which criss-crosses all the Far East) is to substitute disinterested service for proselytizing, to seek to supplement and not to supplant, to be concerned more with morals than dogma. After all, this is only another way of putting the conclusion reached in this regard at the Institute of Pacific Relations forum at Honolulu, which was: „A new and a better type of missionary is needed in the Orient if Christianity is to progress there." And in those same July debates the suggestion was made that a half of the present missionary funds be used to send natives of the East to America and Europe, in place of assigning workers to go to them, that Oriental people might thus compare religions and cultures.

The last of the more or less specific ideas put forward was voiced not long ago by T. Z. Koo, General Secretary of the Y. M. C. A. in China. Speaking in New York he declared that the "new mission work, whether or not called by the name, must consist in trying to bring together Eastern and Western concepts of right living; it must cease to impose either upon the other.

In these dicta, surely, are unmistakable waymarks pointing to a better road than (quite obviously) has yet been followed. Nor is it difficult to recognize the groundwork of the plan now to be carried through. A fundamental object of all religion should be: the promotion of general human welfare, the spread of unselfish living, the extension of peace, and a deepening of the sense of love. Loyal co-operation in such service is the wholly worthy aim to be sought—or should it be called the "holy worthy" aim?

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Paying For China War

From the Manila Bulletin

Four separate and independent dispatches from China are highly significant when considered in relation to each other.

One message says the Kuomingtang factions are getting together for a heavier drive against North China, prolonged warfare.

Another says tens of thousands of persons in China are starving from famine and that their horizon is further darkened by the danger of war with raids from a ravaging soldiery.

Another brings the information that international action is considered for curtailing piracy in the waters of South China.

The other is to the effect that while one chieftain was on his way to Shanghai for a Kuomingtang unification conference the leaders of the extreme radical element seized control of Canton and Kwangtung province.

The situations dealt with in all those dispatches are interrelated. The famine condition is largely a product of war conditions. The country—Shantung and Honan provinces especially—has suffered from almost constant warfare. The farmers have not had opportunity to plant and harvest—and China is never one full harvest ahead of starvation. When unfavorable weather contributed to non-production intense suffering was inevitable.

South China is a hotbed of banditry and piracy because local government has been neglected that war might be carried on. Canton has run wild as direct result of a super-charged atmosphere of agitation.

Now the world will be expected to save the starving thousands while millions of dollars of Chinese money go into the conduct of the war which has upset the country and broken down government, local and national. The world will respond to the appeal for relief for the starving. It always does. It has to as a humanitarian act. But in doing that there should be denunciation of the controllable forces contributing to that suffering.

Shanghai Newspaperman's "Coup" in Washington, D. C.

Donald T. King, who recently returned to the United States after having been for some years connected with the Shanghai *Evening News* and the Shanghai *Times* is the hero of a newspaper scoop in Wasington, D. C., where he is engaged as a rewrite man on the Hearst-owned *Herald*. Mr. King received the "tip" that Juror E. K. Kidwell was talking about getting a car "a block long" after the Fall-Sinclair trial. His investigation set government machinery in motion, resulting in the judge ordering a mistrial. Mrs. King, who before her marriage in Shanghai about a year ago was Miss Lolita Ross, is still residing here, but hopes to proceed to the United States to join her husband in the near future.

"Saturday Evening Post" Price Increased Sixfold

The Commercial Press recently published an advertisement giving the astounding information that beginning next February the price of the *Saturday Evening Post* will be raised to Mex. $42.00 per year, single copies selling for 85 cents. Enquiry reveals the fact that the increase is ordered by the publishers in Philadelphia, although there is a possibility that there is a mistake in the figures. Through arrangements that the Commercial Press had made, for the past several years the *Saturday Evening Post* was sold for less retail in Shanghai than it could be subscribed for by mail direct from the publishers in the United States. The announcement recently made indicates the end of those arrangements, but a proposal to "jump" the price sixfold must come as a shock to readers of that journal.

New Art Album of Peking

"Peking the Beautiful", is the name of a handsome album which has just been published by the Commercial Press. It contains seventy photographic studies of China's fascinating northern capital together with twelve prints in full colors, complete with descriptive and historical notes by Herbert C. White, art director of the Signs of the Times Publishing House in Shanghai, and an introduction by Dr. Hu Shih. The album is priced at Mex. $60, but is at present being offered at the special introduction price of $45.

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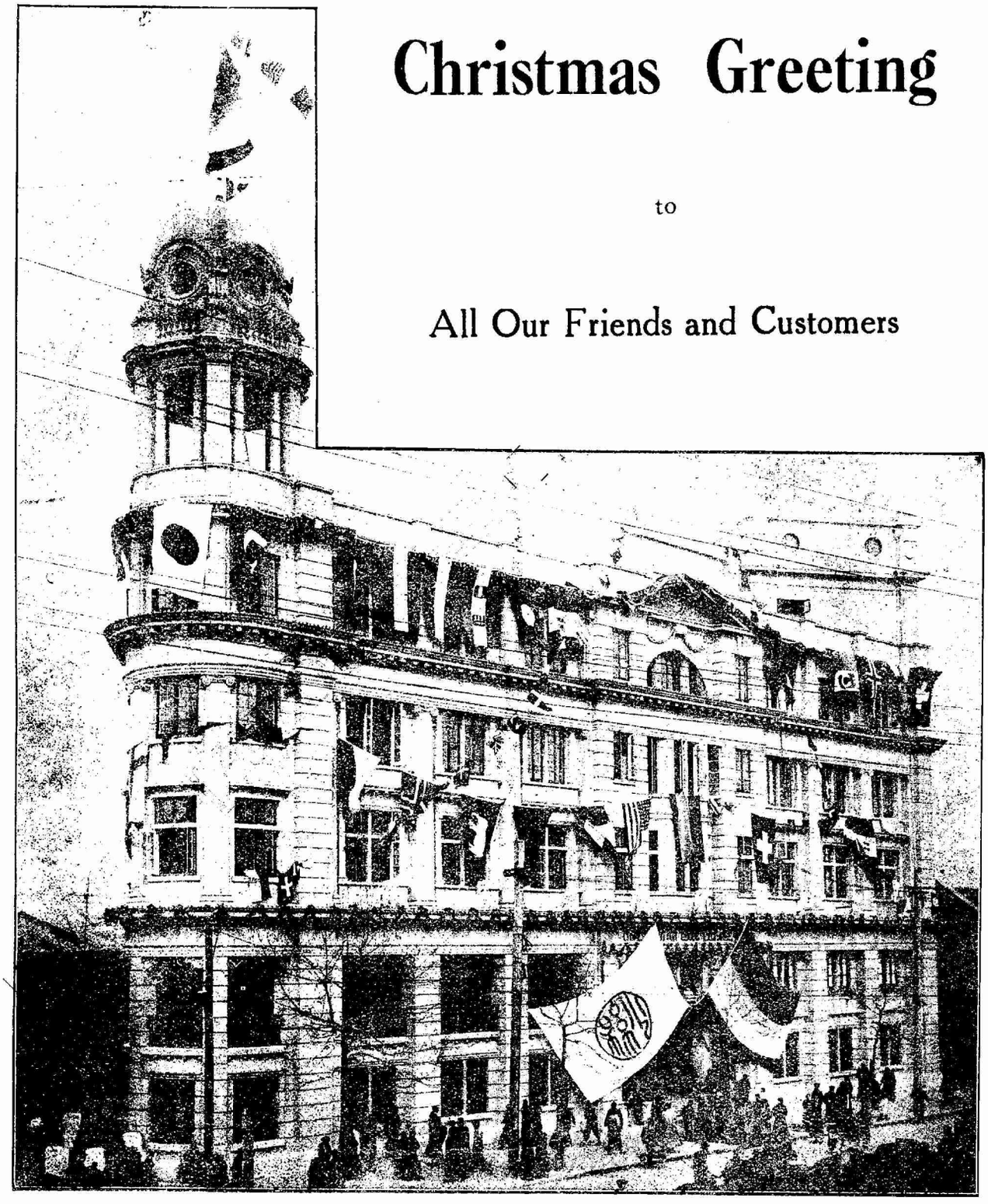

43-063

The Marriage of General Chiang Kai-shek and Miss Mayling Soong

Gen. Chiang Kai-shek and His Bride, the former Miss Mayling Soong

The marriage took place in Shanghai on Thursday, December 1 of General Chiang Kai-shek, former generalissimo of the Nationalist army, to Miss Mayling Soong, sister of Madame Sun Yat-sen and T. V. Soong, former Minister of Finance at Canton and later at Hankow.

The religious ceremony, at which the Episcopal liturgy was used, took place privately at the home of the bride in Seymour road and was conducted by Dr. David Yui, general secretary of the Chinese Y. M. C. A.

The public ceremony took place later in the ball room of the Majestic hotel which was elaborately decorated for the occasion. Dr. Tsai Yuen-pei, Minister of Education of the Nanking Government, officiated.

Upwards of a thousand guests were in attendance, among them being prominent officials of all nationalities, both foreign and Chinese. The hotel was elaborately decorated for the occasion and there was little to distinguish the ceremony from a fashionable wedding in any other part of the world. The groom was dressed in regulation Western costume and the bride's dress was foreign style with just a touch of the Oriental. A band was present to play the wedding march and the bride was attended by bridesmaids and pages.

According to previous announcement, General and Mrs. Chiang Kai-shek were planning to depart immediately for a trip abroad, intending to spend a year in Washington, D. C. and later traveling home by way of Europe, but owing to the meeting of the Central Executive Committee of the Kuomintang in Shanghai, they have postponed their trip abroad. They have leased a residence in the French Concession in Shanghai.

U. S. Firm To Build Big Dam In Abyssinia

Dr. Martin, envoy extraordinary of Abyssinia, left New York November 3 on his way home after completing arrangements for building a dam to irrigate part of the Sudan at a cost of $20,000,000.

The J. G. White Engineering corporation of New York proposes at its own expense to raise the banks of Lake Tsana and form a large reservoir from which water "would be sold to the British government and to the government of Abyssinia." With the money received from the sale of water it was further announced that "the prince regent of Abyssinia hopes to develop the country, taking the United States as a pattern."

White Russians in Shanghai

(Editorial in Manchester Guardian, Nov. 14)

Later telegrams concerning the collapse of law and order n Shanghai a week ago do not lead us to revise our criticism of the municipal authorities. It was said, by way of excusing the police, that the Russians had refused protection. It now appears that this supposed refusal took the form of pointing out to a White Russian police representative that in view of the disorders outside the Consulate the Consul considered that there was a possibility of excesses being committed. The White Russian detective told the English chief detective of the municipal police that he had been informed that his help was not required.

Now it must be perfectly obvious to the municipal anthorities that White Russians, being exiles from their country on account of their hostility to the present regime, are about as fitted to guard the diplomatic representatives of that regime as wolves are to guard a flock of sheep. We may think that the sheep are of the most poisonous character but since honor demands that they should be efficiently protected we should not confide that protection to wolves, no matter how much we may esteem them.

A White Russian's hatred for representatives of the Soviet is likely to be much more potent in influencing his decisions than his loyalty to the authorities of a cosmopolitan settlement. When the American, German, and Japanese Consulates are guarded by English, Sikh, or Chinese police it is monstrous that the Soviet Consulate should be guarded by men to whom it stands, if not for an outpost of Anti-Christ at least as representative of the thing that has ruined their lives.

In Froissart's days the English fought with courtesy. We are sufficiently responsible for Shanghai to send a great number of troops there. We have surely the right to demand that Shanghai, in its treatment of persons whom we do not like, should not dishonor us by disregard of English tradition.

Financial Crisis in Tientsin

A considerable financial panic is in progress in Tientsin and surrounding country owing to the suspension of the conversion of the Chihli Provincial Bank notes, the amount of which in circulation is estimated at about eight million dollars. The Chinese banking associations are threatening a general strike unless the provincial authorities rescind the suspending act. Foreign merchants are little affected by the crisis as they have genrally refused to accept the provincial notes.

Mayor of Chinese Municipality Resigns

General Chang Ting-fang, after serving about two months as mayor of the Chinese municipality of Shanghai, resigned during the week. It is understood that the difficulties of maintaining the municipality's finances have induced the resignation. There is a movement on foot to have the mayor appointed locally instead of by the Nationalist central government.

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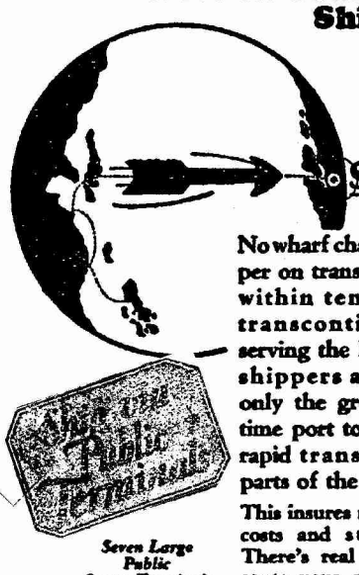

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Men and Events

Dr. Y. C. Yang, president of Soochow University, Soochow, Kiangsu province, visited in Shanghai this week.

Le Journal de Shanghai, the new French daily newspaper, is to make its first appearance December 10.

The Chang Foong flour mill, 4 Ichang road, Shanghai was almost completely destroyed by fire on the night of December 1.

Colonel Cosgrave, Canadian Trade Commissioner in China, departed during the week from Shanghai for a half month's business trip to North China.

A daughter, Cora Lucille, was born to Mr. and Mrs. J. M. Howes at the Country Hospital, Shanghai, December 6. Mr. Howes is clerk of the United States Court for China.

The Commissioner of Foreign Affairs in Shanghai has, received a report from the Foochow authorities stating that it is dangerous for foreigners to travel in Fukien province.

Miss Florence Frences Billings who has been connected with the American Near East Relief organization in Angora, Turkey, was in Shanghai this week on her way around the world.

The national committee of the Y. W. C. A. was at home on Thursday, Dec. 8, in honor of Mrs. Feng Yu-hsiang, wife of Marshal Feng Yu-hsiang and Misses Winifred Wygal and Ruth Furtig.

John S. Potter, treasurer and office manager of the Asia Realty Company, who with Mrs. Potter and their children, has been visiting relatives in the United States, are returning to Shanghai shortly.

Two armed labor agitators who stopped a tramcar in the Wayside district, Shanghai, December 1, in an attempt to force the employees to join in a strike were shot dead by a Chinese nember of the Shanghai Municipal police force.

A corporal of the Scots Guradsmen was charged at the British Court in Shanghai during the week with murdering a houseboy who was found dead in the corporal's room with a revolver belonging to the corporal lying by his side.

Paul W. Wright, special correspondent of the Chicago *Daily News*, who has been in the Far East for several months, departed from Shanghai December 6 for Hongkong, and will probably extend his tour to India.

The Carnegie Institute of Technology of Pittsburgh, Pennsylvania, has sent an invitation to the Chinese Government to send one or more delegates to the International Conference on Bituminous Coal which is scheduled to be held in Pittsburgh during the present month.

Kaname Wakasugi, chief of the intelligence bureau of the Japanese Foreign Office who has been in North China for some time, arrived in Shanghai this week and after a few days here is planning to proceed to Peking. Mr. Wakasugi was formerly Japanese Consul-General at Canton.

The Shanghai Tiffin Club, composed of former residents of Shanghai residing in New York City and vicinity, gave a luncheon in honor of Dr. Anne Walter Fearn and George Bronson Rea at the Army and Navy Club in New York on Nov. 9. According to letters recently received in Shanghai, Dr. Fearn is planning to return to Shanghai for a visit in February or March of next year.

Quo Tai-chi, commissioner of foreign affairs at Shanghai, and W. J. Hawkings will be the guests of honor and speakers at the annual dinner and election of officers of the American University Club of Shanghai, which will be held at the American Club on the evening of Wednesday, December 14. The charge for the dinner will be $2 and reservations should be sent to G. N. Coe, Secretary, care National City Bank, 1A Kiukiang Road.

E. A. L. Best, Far Eastern representative for the Chas. A. Schieren Co., of New York City, manufacturers of "Duxbak" and "Royal Extra" leather beltings, has recently returned to China, after an absence of practically one year, during which time he has visited the factory in America and conducted considerable investigation work in the Hawaiian Islands, Philippine Islands, Netherland East Indies and Strait Settlements. Mr. Best plans to make Shanghai his headquarters for some time to come.

The *Meifoo Shield*, house organ of the Standard Oil Company of New York, contains for its leading article in the November issue, a discussion of "Oil—The New Industrial Giant," in which it is stated that the investment in the oil industry now totals G. $11,000,000,000 which is more than twice the investment in the steel industry and about half the valuation of the railroads in the United States. There is also an article entitled, "Pioneering on the Upper Yangtsze," by H. J. E. which contains several excellent illustrations, and numerous notes pertaining to the staff of the company.

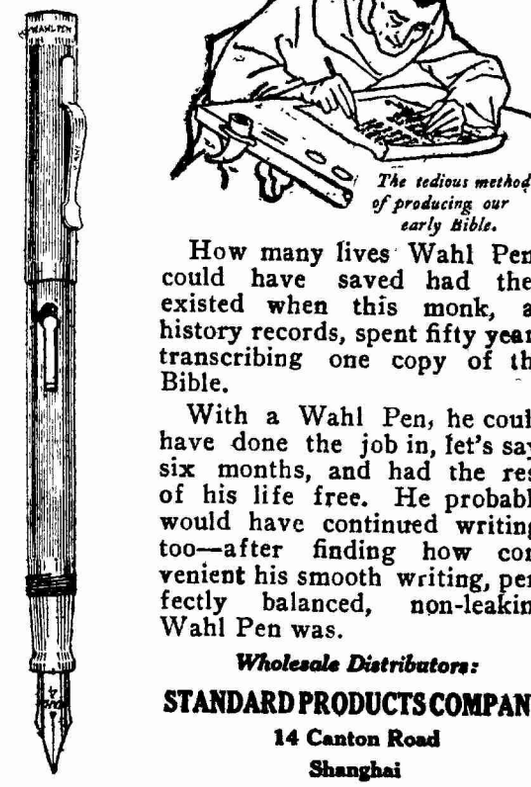
From the Chinese Press

(News items pertaining to Chinese politics appearing under this heading, are taken mostly from the daily reports of the Kuo Wen (independent), Kuo Min (Nanking official) Nationalist (Wu-Han official) and Toho (Japanese) news agencies, and from translations of articles appearing in the local Chinese press).

November 29—International Commission for appraisal of commodities for Customs purposes to meet in Peking on December 1—*Toho* message from Canton states that considerable speculation exists respecting the relations of Generals Chiang Kai-shek, Li Chi-sum and Wang Ching-wei and that impression prevails that Wang Ching-wei may shortly return to Canton; reported that Chang Fa-kwei faction may try to use Gen. Chen Chiung-ming against Li Chi-sum—Canton branch of political Council holds meeting andappoints Koo Meng-yu, Chang Fa-kwei, Wang Fa-chin and Chen Shu-jen members of the Council with Chang Fa-kwei as acting chief commissioner of the Political Council; also appoints Chang Fa-kwei, Chu Hui-jih, Fan Shih-sheng, Huang Chi-hsiang, Fang Ting-yin, Chen Chi-tang and Feng Chao-ming as members of miltary council, also with Chang Fa-kwei as acting chief commissioner and Chu Hui-jih as chief of the military affairs department—*Toho* message from Hankow quotes Gen. Hu Tsung-to as welcoming Chiang Kai-shek back as a member of the Kuomintang but expresses opposition to Chiang's resumption of his military position—Generals Li Tsung-jen and Cheng Chien send agents to Changsha from Hankow to confer with Generals Ho Chien, Liu Hsiang and Li Ping-hsien to try to arrive at peaceful settlement; Cheng Chien has concentrated his troops at Hsienning and Tingssuchiao on the Canton—Hankow Railway and while he is ambitious to control Hunan, he has not yet moved in that direction—Yen Hsi-shan, according to *Kuo Min* report rearranges his army for renewed offensive against Chang Tso-ling; serious fighting between Shansi and Fengtien troops at Tai-yin and Sha-ho-chen on the Peking-Hankow line—*Kuo Min* message from Hongkong states that Chen Shu-jen, Wang Fa-chin, Pan Yung-chao, Koo Meng-yu and Kai-kwan have departed for Shanghai to attend Kuomintang conference—Gen. Yang Yu-ting, chief-of-staff of Fengtien comes out in strong denunciation of American loan to South Manchuria Railway declaring such a loan would adversely affect China's relations with the United States—Fengtien mobilizes new army of 70,000 for fresh drive on Shansi—*Kuo Wen* report states that troops of Gen. Chang Ju-ehi have occupied Yunnanfu, capital of Yunnan proviece, eliminating influence of Gen. Lung Yung-kun—Gen. Chang Chung-chang, tupan of Shantung orders immediate construction of two new armored cars to replace those captured by Feng Yu-hsiang in recent fighting on Lung-Hai line—Gen. Chang Fa-kwei, according to *Kuo Wen* report telegraphs Gen. Li Chi-sum at Shanghai that his recent *coup-d'etat* had nothing whatever to do with the Communists or with Wang Ching-wei, but was merely for purpose of supporting the Kwangtung party.

December 1—Toho report from Tokyo declares that proposed American loan to the South Manchuria Railway is a purely private venture hence the State Department is not likely to raise objections—American Minister MacMurray arrives in Tokyo, interviews Mr. Debuchi, vice-Minister of Foreign Affairs and immediately departs for Peking; denied there was any change in American policy and said there was no established government in China and the United States would not show partiality to any side—Diplomatic Corps in Peking holds conference on proposal of Sir Cecil Clementi, Governor of Hongkong, that united action should be taken against pirates in South China Waters; Foreign ministers do not reach agreement but most seem favorable—Quo Tai-chi, Commissioner of Foreign Affairs at Shanghai, lodges strong protest against the establishment and maintenance of radio stations by foreigners in Shanghai—*Kuo Min* report from Nanking states that since the Nanking Nationalist armies now have the situation in hand at Hsuchowfu where Gen. Ho Yin-chin's troops are attacking the Chihli-Shantung troops, that Feng Yu-hsiang is now withdrawing his forces in order to launch an attack along the Peking-Hankow line against the Fengtien forces in cooperation with Yen Hsi-shan—Nationalist Government appoints committee composed of Li Tsung-kong, Chu Lu-ho, Li Chao-kwan, Chao Shih-shuen and Chen Kan-chi as commission to reoorganize the Han-Yeh-Ping Coal and Iron Company—Nanking issues mandate prohibiting judicial officials from holding other posts concurrently—Liu Tien-yi appointed commissioner of foreign affairs for Hunan and concurrently commissioner of customs at Yochow and Changsha—Generals Ho Yao-tsu and Bei Tsung-chi make preparations for renewed offensive against Chihli-Shantung troops—Dispatch from Shansi

(Continued on page 56)



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43-067

The Feud Between the Canton and Kwangsi Factions—A Kuomintang Problem!

BY J. B. P.

Owing to the withdrawal of the Nanking Members of the Central Executive Committee, further meetings of the Preliminary Kuomintang Conference have been temporarily postponed.

The vital problem of the preliminary conference of the Central Executive and Supervisory Committees of the Kuomintang which are now in session in Shanghai is to prevent an armed clash between the Kwangtung (Canton) and Kwangsi factions, all other questions being minor to that problem. There is, of course, nothing new in this conflict except the recent *coup-d'etat* of the Canton General, Chang Fa-kwi who disarmed the troops of the Kwangsi General, Li Chi-sum. Gen. Chang Fa-kwei's action, it may be stated in passing was, according to the best available reports, taken for the purpose of forestalling a similar action on the part of Li Chi-sum's chief subordinate, Gen. Huang Shao-hsiung, but that doesn't becloud the fact that the rivalry between these two factions in the Kuomintang is threatening to disrupt the party, and thereby constitutes the chief problem of the present Kuomintang Conference.

Rivalry Difficult to Understand

This fight between Kwangtung and Kwangsi is an old one and difficult for a foreigner to understand. Recently the writer of these paragraphs asked a prominent Cantonese as to the real foundation for the trouble. He replied by asking the writer whether he understood what was behind the feuds among the mountaineers of Kentucky, or what was behind the "tong" wars among the Chinese of San Francisco or New York City. We did not pursue the subject further, only remarking that it constituted an unfortunate situation when the Nationalists were unable to agree among themselves at a time when party unity was vital to the success of their cause.

As these lines are written (Monday, Dec. 5) the Kuomintang Conference had been in session for two days and aside from a tentative agreement on the agenda, very little had actually been accomplished.

The Conference Agenda

The agenda containing subjects for discussion was as follows:

1—Abolition or continuance of the Central Special Committee of the Nanking Government.

2—Organization of a Standing Committee of the Kuomintang.

3—Reorganization of all departments of the Kuomintang headquarters.

4—The reorganization of the Political Committee.

5—Reorganization of the Nationalist Government.

6—Review for the purpose of confirmation or rejection of actions of the Nanking and Hankow Governments following the split last spring.

7—Registration of members of the Kuomintang.

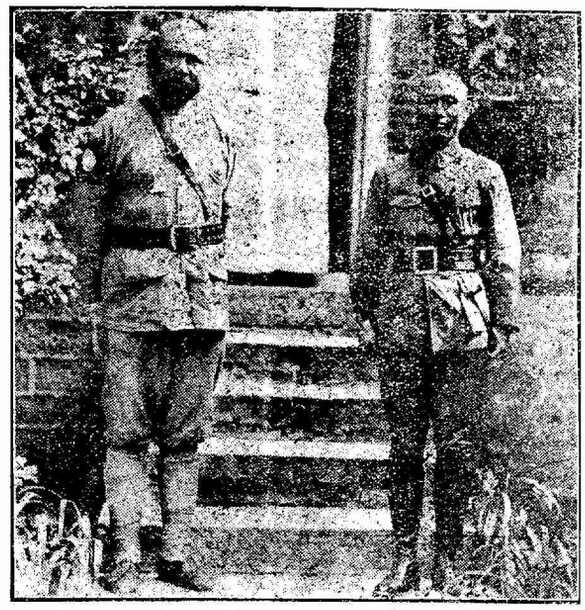
8—Convening of the third conference of Nationalist representatives.

9—Discussion pertaining to questions raised by resolutions submitted by Dr. Wang Ching-wei and Gen. Cheng Chien.

10—Setting a time and place for the holding of the Fourth Plenary Session of the Kuomintang.

Two Important Decisions

There were two important decisions that resulted from the first two days' sessions, one being the passing of a resolution abolishing the so-called Central Special Committee of the Nanking Government and the other being the adoption of a resolution fixing the number of members of the Standing Committee of the Kuomintang at nine as provided in the constitution of the Party. Both of these resolutions are to become effective upon the formal convocation of the Fourth Plenary Session, but pending the meeting of the Fourth Plenary Conference all committees and councils established by the Central Special Committee are to report to the Preliminary Kuomintang Conference now in session.



Generals Feng Yu-hsiang (left) and Chiang Kai-shek, Who Have Been Important Factors in the Meeting of the Central Executive Committee of the Kuomintang in Shanghai, the Meetings Being Held at the Home of Chiang Kai-shek. Rumor Has It that Feng May Be Appointed Generalissimo.

Considerable attention was devoted to reorganizing the Central Party Headquarters, some favoring the continuance of the present system of having eight departments, Organization, Publicity, Farmers, Workers, Merchants and Overseas Department, while others recommended a complete reorganization to prevent conflict between the Central Government and provincial authorities. The following committee was finally appointed to draft a plan for thereorganizing headquarters: Li Shih-tseng, Tai Chi-tao, Kan Nai-kwang and Chen Kuo-fu

The Question of Communism

General Li Tsung-jen, one of the leading Kuomintang Generals recently responsible for the capture of Hankow and the ousting of Gen. Tang Shen-tse, submitted the following proposals:

1—Exact definition be given to the "Ming Seng" principles in order to provide a clear demarcation between the principles of the Kuomintang and Communism.

2—That those who have, voluntarily or otherwise, been known as "lefts" be ordered by the party to declare their attitude.

3—That finances be centralized in order to prevent individual military commanders from establishing their authority over particular districts.

4—That the control of all military authority be defined and private enlistment of soldiers prohibited.

5—That all party and government laws and regulations be strictly adhered to.

6—That a definite anti-Communist policy be formulated by the Conference and publicly proclaimed in order to enable the people to know where the Kuomintang Party and the Nationalist Government stand in respect to Communism.

Owing to the absence of some seven members of the Executive Committee at the meeting on Monday, December 5, there was no formal meeting. The seven members absent were, according to report, all members of the Nanking Government.

To refer back to the question of the clash between the Kwangtung and Kwangsi factions in the Kuomintang, this question still continues a vital problem and it is as yet too early to determine whether it is to be peace or war. Gen. Li Chi-sum, former commander at Canton who is now in Shanghai succeeded, on the day preceding the opening of the Preliminary Conference, in inducing the Nanking military council to pass a mandate ordering the arrest and punishment of Gen. Chang Fa-kwei, but this mandate, according to report, was not taken seriously since the Canton faction considers the Nanking Government an "illegal" body, in which event any mandates passed by that Government are not legal unless they receive the approval of the Central Executive Committee.

The fundamental problem of the Central Executive Committee of the Kuomintang thus depends upon its ability to settle by peaceful means the rivalries existing between the various generals and factions, particularly the feud between the Canton and Kwangsi groups. From the standpoint of personnel, the so-called Kwangsi faction is composed of Generals Li Chi-sum, Li Tsung-jen and Bei Tsung-chi, while the leading Cantonese general is Chang Fa-kwei and his associate at Canton, Gen. Huang chi-hsiang. Occupying a sort of neutral position are Generals Chiang Kai-shek, Ho Yin-chin and Cheng Chien.

The Reorganization of the Government

In the event the Central Executive Committee is able to prevent a clash and reorganize the Nationalist Government, there are various speculations regarding new personnel, some of the names mentioned for Cabinet posts being Dr. C.

T. Wang, T. V. Soong and H. H. Kung, with another interesting rumor to the effect that Gen. Feng Yu-hsiang may be appointed Generalissimo of the Nationalist Military forces. It was reported several days ago that Gen. Chiang Kai-shek might resume his old position as Generalissimo, but owing to opposition which developed on the part of several of the other Kuomintang military men in the Kwangsi group, it is now reported that Gen. Chiang may not resume active military service but will continue as a member of the Central Executive Committee and Military Committee. While Dr. Tsai Yuan-pei, former head of the Peking University and more recently Minister of Education in the Nanking Government, served as temporary chairman of the preliminary conference now in session, it was reported that Dr. Wang Ching-wei will resume his old position as chairman upon the meeting of the Fourth Plenary Session.

Fong Yu-hsiang Captures Hsuchowfu

According to a cable received by *The Review* on Sunday, Dec. 4, from Chengchow, Honan province, Marshal Feng Yu-hsiang's forces occupied Hsuchowfu, the important city of northern Kiangsu at the junction of the Tientsin-Pukow and Lung-Hai Railways on Saturday, Dec. 3, forcing the evacuation of the Chihli-Shantung troops to Hanchuang on the Kiangsu-Shantung border. It was reported that the Northern troops retreated in considerable disorder and that a further retreat may be necessary shortly, particularly in view of the fact that Feng's troops are also advancing in a northwesterly direction along the Yellow River with the intention of attacking the town of Techow which is located on the northern Shantung border on the Tientsin-Pukow Railway. Feng's present plans now, according to fairly reliable report, are to advance directly on Tientsin, thus isolating the Chihli-Shantung troops and White Russian mercenaries under Generals Chang Chung-chang, Sun Chuan-fang and Chu Yu-puh in Shantung province.

Nanking-Kwangsi Group Submits Demands

According to the *Kuo Min* news agency report on Dec. 6 the "seceding" members of the Central Exective Committee, composed of Generals Li Chi-sen, Li Tsung-jen and Ho Ying-chin and C. C. Wu, Tsai Yuan-pei, Yang Yen-kai, Sun Fo, Li Shih-tseng and Wu Tieh-chen have issued the following proposals for a settlement of the trouble in the Kuomintang:

1—That the selection of the members of the Standing Committee of the Central Executive be witheld for the present.

2—That a military force be sent against Chang Fa-kwei at Canton; that the Kwangsi General Hwang Hsiung be instructed to continue his advance on Cantion; that Generals Li Tsung-jen and Bei Tsung-chi be ordered to mobilize against Chang Fa-kwei.

3—That regardless of the situation in Kwangtung the Fourth Plenary Session of the Kuomintang be held and in the event a quorum cannot be obtained that a Provisional Standing Committee be formed to cope with the situation.

4—That the preliminary conference be convened as soon as the attitude of the various members can be determined on the foregoing proposals.

America Makes Huge Advance in South American Trade

Statistics collected by the National Foreign Trade Council show that the United States is now selling more goods in South America than England, France and Germany combined. America supplies South America with about a billion dollars worth of goods annually at present, as against about three hundred million dollars worth before the Great War. Present indications are that America will supply thirty percent of South America's wants during the current year.

Heavy Shipments of Lumber to China and Japan

As an indication of the briskness of lumber business of the Pacific Northwest and incidentally the part which Japanese shipping plays in this trade it may be mentioned that in the month of November the Yamashiten Co., carried eighteen shiploads to China and Japan measuring more than sixty million feet.

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(*Continued from page 53*)

states that Yen Hsi-shan's plain clothes troops blew up Fengtien ammunition supplies at Paotingfu—Shanghai Special Municipality issues orders requiring all motor car owners driving in Chinese territory to have licenses—Gen. Li Ching-lin engaged as personal military adviser to Gen. Yen Hsi-shan—Chang Tso-ling holds conference with Pan Fu, premier and other officials regarding the serious military situation—Tsai Yuan-pei, Minister of Education in the Nationalist Government announces plans for organization of an Educational Bank to be headed by Y. M. Chien, former viceminister of finance.

December 2—Butterfield and Swire (British) steamer on Upper Yang-tsze attacked by bandits at Ichang, rob steamer of $20,000 in treasure and kidnap captain who is being held for $100,000 ransom—Chinese arrested in Mukden attempting to gain admittance for purpose of blowing up Mukden arsenal—*Toho* report from Peking states that Chihli-Shantung troops again defeated by Feng Yu-hsiang and retreating from Lung-Hai railway area—As result of appeal by Chinese chambers of commerce in Canton, the Kuomintang branch of Political Council decides to call off anti-Japanese boycott—Gen. Yang Yu-ting, chief of staff of Chang Tso-ling, issues strong denunciation of American bankers for lending money to the South Manchuria Railway, declaring it will result in anti-American sentiment on part of Chinese people; Yang charges Japanese with trying to create impression in America that Manchuria and Mongolia are not part of "China proper" and charged Japanese generally with bad faith in dealings in Manchuria—Admiral Yang Shu-chuang, and Generals Chen Ming-shu and Lin Sen depart from Foochow for Shanghai to attend Kuomintang meeting—Yoshizawa, Japanese Minister in Peking strongly criticises Yang Yu-ting for his statements on the Manchuria situation and says that Yang is trying to mislead the public—Quo Tai-chi protests to British and Danish Consular authorities at Shanghai regarding an alleged secret loan which the British and Danish cable companies are alleged to be planning to make to Chang Tso-ling in exchange for an extension of the cable contracts which expire in 1920—British Consul-General at Hankow sends letter, according to *Kuo Wen* to Hankow authorities in which he states that British Government has no intentions of trying to recover possession of the former British Concession at Hankow—Peking Ministry of Foreign Affairs cables Alfred Sze in Washington instructing him to protest against an American loan to the South Manchuria Railway—Telegram from Chengchow, Honan states that Feng Yu-hsiang has again severely defeated the Chihli-Shantung troops capturing 10,000 prisoners and 15,000 rifles and killing Gen. Pan Hung-kyuin; fall of Hsuchowfu imminent.

December 3-4—Baron Tanaka, Japanese Premier in *Toho* interview referring to Yang Yu-ting interview said, "it appears Gen. Yang has made slip of tongue, but since Chinese are likely to make statements for local consumption, it is better for Japan not to take the matter seriously—*Toho* report states that Chihli-Shantung troops again defeated by Feng Yu-hsiang and dropping back to Hsuchowfu where Gen. Chu Yu-puh has headquarters, but report from Chengchow states Hsuchowfu occupied by Feng on Dec. 3, with Chihli-Shantung troops retreating northward in confusion—Yoshizawa, Japanese Minister demands that Yang Yu-ting retract his statement about the American loan—Fengtien begins collection of luxury taxes in Peking—Report from Mukden alleges that 1,000 "plain-clothes" anti-Fengtien troops are in Mukden vicinity supposedly for purpose of blowing up arsenal—Report from Canton states provincial political committee has decided to give up examination and boycott of Japanese and British goods—Nanking Government publishes regulations for Spanish subjects in China following abrogation of Sino-Spanish treaty—Nanking Government Council issues mandate ordering arrest of Chang Fa-kwei calling him enemy of party—Nanking report states Gen. Shang Tsung has recaptured Tatungfu from the Fengtien forces on the Peking-Suiyuan Railway—Nanking Ministry of Finance asks Hupeh anti-opium bureau to raise $1,000,000 immediately for military purposes—Gen. Chang Ting-fang, mayor of Shanghai resigns—Yang Sen sends delegate to confer with Hankow generals—Yeh Chao-chu, Chinese Minister to Mexico returns to China; Peking appoints Nai Shao-ming as charge d'affairs in his place—Nationalists send several thousand suits of winter uniforms to troops in northern Kiangsu—Gen. Chin Yun-ao, who rebelled against Feng Yu-hsiang in Honan and was defeated holds conference with Chang Tso-ling, but reported Chang unwilling to grant him further assistance.

December 5—Generals Li Ping-hsuan, Liu Hsin, Ho Chin and Chow Tsun in Hunan, formerly under Tang Shen-tse, send telegram to Gen. Cheng Chien in Hankow asking him to come to Hunan and take charge—Chinese press in Peking and Tientsin publish editorials urging Japanese not to press Manchurian and Mongolian questions—Chinese shops in Chapei section of Shanghai close as protest against assessment of stamp tax—Foreign chambers of commerce in Hankow urge consular body to protest payment of "dike-repair" tax owing to fact that money not used for declared purpose—Japanese delegate, Mr. Kuhara in Moscow delivers address using closer economic relations between Japan and Soviet Russia.

December 6—Owing to heavy decline in Chihli provincial bank notes Chihli government announces taxes must be paid in "big-money" and Chinese Chamber of Commerce demands that government fix exchange rates—Gen. Huang Chi-sheng, commander of the 24th division of 11th army arrives at Amoy with 1,000 men from Foochow on way to Changchow—Feud between Li Tsung-jen and Cheng Chien continues at Hankow with possibility of actual fighting—*Toho* report from Peking claims that Hsuchowfu is still held by Chihli-Shantung troops—Japanese report from Peking states that since Mr. MacMurray, American Minister has returned to Peking there are prospects of conference between American and Japanese interests to settle the radio deadlock—Gen. Wu Chun-sheng departs from Mukden for Chichihar to inspect defenses in North Manchuria—*Kuo Min* report states that Gen. Chu Yu-puh was killed in fighting at Hsuchowfu but report unconfirmed—*Kuo Min* states that panicky conditions prevail in Peking and Tientsin area owing to fall of Hsuchowfu—Due to lack of quorum, Kuomintang Conference postponed to enable mediators to attempt to compromise differences between Kwangtung and Kwangsi factions—Nationalist Government expresses deep regret for shooting of students by Nationalist troops—*Kuo Wen* report states that Feng's troops have reached and occupied Changteh in northern Honan—Pan Fu, Peking premier goes to Shantung to confer with Sun Chuan-fang and Chang Chung-chang on the military situation—Feng Yu-hsiang sends 2,000 war prisoners to Shensi province to build roads—Chang Tso-ling opens 10 anti-opium offices in Peking area—Chang Tso-ling sends Gen. Chang Tso-hsiang to Tehchow and Tamingfu to oppose Feng Yu-hsiang—Chang Tso-ling arrests 21 alleged Kuomintang members in Peking—*Kuo Wen* quotes Wang Ching-wei as saying that he intends to remain in Shanghai until the trouble in the Kuomintang is settled.

December 7—*Toho* report from Peking states that Ministers of Japan, Britain, America, France and Italy met and exchanged views on the question of cooperative action against pirates in South China waters and also on the question of "illegal" taxation in various parts of China; MacMurray expressed his views in respect to the attitude of the American Government—Chinese merchants in Peking and Tientsin are threatening general strike owing to attitude of Chihli provincial authorities respecting the slump in bank notes—Serious banditry develops in Swatow district—Mukden authorities execute three Chinese caught trying to blow up Mukden arsenal—Hongkong report by *Toho* states that Mrs. Wang Ching-wei, wife of the ex-chairman of the Central Executive Committee of the Kuomintang, who has been in Canton interviewing Gen. Chang Fa-kwei has induced the Canton general to suspend hostilities against the Kwangsi troops for the present pending outcome of the Shanghai conference—International Commission for the appraisal of goods for purposes of customs valuation holds second meeting in Peking, the Japanese delegate explaining that since Japanese metals and metallic goods which come into China are not be classed with the "refined goods of American and European manufacture" that Japanese goods should be placed in a different category—Japanese report from Peking states that representatives of the Chinese postal administration in Peking and Nanking held a conference recently in Dairen for the purpose of unifying the system, but that Peking is dissatisfied owing to Nanking's retention of postal revenues—Ten members of the Kuomintang Central Executive Committee which seceded from the Shanghai conference demand that Gen. Chang Fa-kwei's connection with the Communists be exposed and Chang be driven from Canton—Nanking troops enter Hsuchowfu thus linking up with Feng's troops which captured the place on Dec. 3—Nanking appoints Admiral Yan Shu-chwang as chairman of the Fukien provincial committee—Nationalists claim capture of several airplanes belonging to Fengtien forces in Hsuchowfu—Nanking supplies Feng Yu-hsiang with 1,000,000 rifle cartridges—Chang Tso-ling orders 25th division to be moved from Tientsin to Shantung for service against the Nationalists—Nationalist troops begin attack on Haichow at eastern end of Lung-Hai Railway.

Korean Tram Inspector Shot

A Korean tram inspector was shot twice, one shot going through his stomach and another through the arm, by a delegation from the Shanghai tramway mechanics who are on strike. The incident occurred December 7 at the home of the Korean in Avenue road.

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We have just received from The Curtis publishing Co. of Philadelphia, U. S. A. an announcement regarding the advanced rates for copies of The Saturday Evening Post. Subscribers will please take notice of the following rates in detail:

Present Rate	One year.....	$6.50
	Single copies.....	.13
New Rate	One year.....	$42.00
	Single copies.....	.85

(Outport postage to be charged as usual)

The new rate for annual subscription will be effective immediately and for single copies beginning with the issue of Feb. 4. 1928.

The Commercial Press, Limited

Shanghai

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43-072

New Books of Interest in the Far East

Imperial Russia and the World War

The Russian Imperial Conspiracy, 1892-1914; By Senator Robert L. Owen (Oklahoma): Albert and Charles Boni, New York.

The Senator from Oklahoma has given documentary proof that will go far in establishing the truth as to the origin of the World War,

Heavy with irrefutable facts, the material has been woven into a most interesting narrative. The briefness used in presenting certain documents found in the archives of the old Russian Foreign Office, and which appear here for the first time, give them tremendous weight and afford cause for deep reflection on the part of the reader. Secret diplomacy in its intricacy, together with the higher forms of propaganda are thoroughly exposed.

Senator Owens styles the Versailles Treaty as an instrument of confession made under duress, particularly articles 227 to 231 inclusive. The blame for the war rests upon Russia and France, not necessarily as the declarants, but through having made the war necessary during the years from 1892 to 1914. Isvolski, the Russian Ambassador to France prior to the Great War, engineered much of the preparation. Poincare alone could have prevented the conflict by a single telegram to the Czar. He did not because he willed the war. France, with England behind her, made the Russans bold to carry out the Russian Imperial Conspiracy, to destroy Austria and crush Germany. Nicholas could have stopped his general mobilization upon receipt of Wilhelm's despatch urging peace in Europe. King George wired the Czar on the memorable first of August appealing for peace—knowing to whom the appeal should be made. But Russia and France were prepared—all except the common peoples—those who pay all.

A desire for reconciliation of the French and German peoples has prompted Senator Owens to compile this insight into politico-military intrigue. One cannot read this book without sensing a startling reaction against the one-sided propaganda the Allied nations have known. It mitigates in no way any of Germany's crimes but does present a conclusive "other picture."

Blackstone signifies evidence as that which demonstrates, makes clear, or ascertains the truth of a point in issue, either on one side or the other. As distinguished from comment and argument the *Russian Imperial Conspiracy* is evidence, highly interesting, undeniably true and which should be read by every fair-minded, well-informed person. C. C. B.

Shanghai, Dec. 2, 1927

Mr. Morse Writes on The Taipings

"In the Days of the Taipings". An Historical Retrospect, in the form of an autobiography. By H.B. Morse. The Essex Institute. 1927.

The publication of this work by the Essex Institute is the only departure from its long established custom to confine its publications to strictly historical, biographical and genealogical matter.

This step the Institute justifies on the following grounds: "The Institute has, among its library and museum collection, rich and unique memorials of General Frederick Townsend Ward, whose remarkable and victorious career in China during the Taiping rebellion has been far from popularly comprehended and seems clouded with that something of unreality which clings to Joan of Arc.

"Because of the interest of the Institute in its rich Chinese department, because of its distinctive and local interest in all that pertains to General Ward, and especially because it finds in the story of a man (the author, H.B. Morse) who knows China as few non-Orientals know it, an open door to fuller knowledge of that country and its people and a better appreciation of its present seething problems, the Institute deems itself not merely justified but worthy of commendation in becoming the agency through which the following masterly work of Mr. Morse is made accessible to interested readers".

The aim of the author himself appears to be slightly different: "The purpose of this work", he says, "is to show how European qualities were called in to aid the Imperial government of China in suppressing the great Taiping rebellion. Book I gives the history of a picturesque incident at Shanghai, which demonstrates the incapacity of the Imperial government, in its then state of disorganization and inefficiency, to suppress the armed resistance to its authority; but the writer has grasped the opportunity to describe some further aspects of the period. He has given an outline sketch of old Shanghai and of the handful of English and American merchants who created the port and established the foundations of its prosperity; he has described the conditions which led to the creation of the Inspectorate of Customs; and he has tried to make the reader understand the personality of some of the notabilites of the place ...But above all he has tried to show the possibilities in the mental development of a timid young scholar of the Chinese gentry, who had been brought up to detest war and violence, and was then subjected to the more virile influence of European thought and action. In Books II and III he has presented the obstacles which first Ward and then Gordon had to encounter in their allotted task, and has shown how each overcame his peculiar difficulties—the one by his buoyancy and steadfast faith in his star, the other by his sense of duty and by loyalty to his high ideals—both ultimately attaining their aim; while across the scene there pass Li Hung-chang, Chen Siaoki, the Taiping Prince, Na Wang, Admiral Sir James Hope, and others who played leading parts in the drama".

It is Mr. Morse who carries the day as far as aims and objects are concerned. The young scholar hero of the book, Meisun, who comes down to Shanghai and gets into touch with the foreigners, is likeable enough, but from the very start of the book onwards he is little more than the mouthpiece of Mr. Morse, whose aim is "to show how European qualities were called in to aid" China during the second half of the 19th century. There is something comically unreal and fact-destroying in the way he makes Meisun so explicitly describe and rub in the necessity of having a foreign sign-board in order to protect his Chinese business. Meisun attained the scholarly distinction of being a Hsiutsai at the age of 19. Mr. Morse appears to conceive that this had not left sufficient time for the traditional cultural prejudices of the Chinese scholar to become embedded in his hero's character, for he makes the young man gape in admiration at every single foreign innovation or gesture which he encounters when he reaches Shanghai. There is a vivid flash of unconscious humor, as well as of truth, in the incident recorded where Meisun is introduced for the first time to two young Anglo-Saxons, an American and an Englishman.

"What do your friends call you?" the American asked.

"Acquaintances call me Ting Hsiensheng, that is Mr. Ting; my kinsfolk and intimates call me Meisun, just as you call Mr. King (the Englishman), Billy, and he calls yon Wood".

"Well, I'm going to call you Mason. I think you seem a good sort, and, if you'll give me a chance, I'll turn you into a good American".

"I felt a passing sense of anger, quickly followed by amusement....But he did not look conceited or assume an air of superiority, and I preferred his attitude to that of Mr King, who seemed to regard me as if I were of a subject people,"

Mr. Morse certainly has a sense of humor to record a little tale like this; so perhaps he won't mind if we surmise that he himself may have been Billy the American. After this preliminary readjustment, we can approach his story of Meisun and the Taipings with every prospect of getting not only a good story but also all sorts of odd information connected with those exciting and creative old days. There could be much worse ways of reading history,—and it is about time there was a counterblast to this terrible Nationalist propaganda.

Shanghai, Dec. 2,1927 J. D. M.

An Attempt at Fiction

The Marionette, by Edwin Muir. New York: The Viking Press. $1.75.

This is Edwin Muir's first piece of fiction, and the result is not successful. As a writer of finished and beautiful prose, Mr. Muir has few peers, but in this little volume he has failed to lend conviction.

The characters are Hans, a feeblemminded boy of 14; his father, Martin, and a puppet named Gretchen. Martin has tried to interest his son in various things, and, seeing that he likes dolls, takes him to a puppet show and finally brings him the Gretchen of "Faust."

The book is interesting, there is no question of that. But the reader expects to be lifted to the clouds throughout and at the end he finds that it is only of the earth, earthy, and the disappointment is keen. F. P. F.

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Latest New York Stock Exchange Quotation

Dec. 7, Supplied by J. E. Swan & Co. Tel. C. 6615 6619.
Market Closed Irr Business Done 2,400,000

STOCK	Previous Price	Latest Price
Allied Chemical & Dye (Common)	150⅝	149⅞
American Can (Common)	70⅝	70¼
American Radiator (Common)	133	133
Armour & Co. 7% Pfd (Illinois)	69	67¾
American Telephone & Tel. (Common)	178¼	179⅜
American Tobacco "B"	177	173½
Baldwin Locomotive Co. (Common)	254¼	251
Bethlehem Steel (Common)	54½	53⅞
Bethlehem Steel, Pfd. 7%	115½	116½
Canadian Pacific Railway	217	212¼
Canada Dry Ginger Ale	51⅛	51¼
Cheasapeake & Ohio (Common)	211½	209
Eastman Kodak Co. (Common)	166¼	167
General Baking "A"	78¼	77¼
General Electric (Common)	132⅛	130⅛
General Motors (Common)	127½	128⅝
Goodrich (B.F.) Co. (Common)	87¼	95
International Match, Pfd.	91⅜	89⅜
International Nickel (Common)	71⅛	68⅛
Ligget & Myers, Class "B"	122¼	121⅜
Mack Trucks (Common)	109¼	109⅛
New York Central (Common)	164⅜	163½
Packard Motor Car Co. (Common)	52	51¾
Phillips Petroleum (Common)	40⅞	40¼
Pacific Gas & Electric	46	45⅞
Radio Corp. of America (Common)	95	96
Reynolds Tobacco, Class "B"	157⅝	157
Standard Gas & Electric (Common)	61¾	60¾
Schulte Retail Stores (Common)	51¼	51¾
Southern Railway (Common)	144¼	143
Standard Oil of California	55½	55¼
" " of New Jersey	39¾	39½
" " of New York	31¾	31½
" " of Indiana	78⅞	78¾
Texas Corporation (Common)	52⅝	52¾
Tobacco Products, Class "A"	116	116
Union Carbide	150¼	147¼
Union Pacific RR. (Common)	196	194
United Fruit	141	141¾
United Drug (Common)	191¼	192
United States Rubber (Common)	54½	53¾
United States Realty & Imp. Co.	65⅝	63⅛
United States Steel	144¾	143⅞

American Gold Bond Quotations

Name of Security	Coupon Rate %	Date of Maturity	Sale Price Nov. 24th	Sale Price Dec. 1st	Approx. Yield to Maturity Dec. 1st
Czecho Slovak Govt. Sinking Fund Loan...	8	Oct. 1, 1952	108¼	108¼	7.28
Czecho Slovak Govt. Ext. S. F. Loan.....	7½	Oct. 1, 1945	105¼	105¼	6.98
Republic Chile S.F. Loan	7	Nov. 1, 1942	102	102	6.79
Argentine Ext. S.F. Loan	6	May. 1, 1960	99½	99⅝	6.04
Italy, Ext. S. F. Loan..	7	Dec. 1, 1951	97⅝	97	7.27
Austrian S. F. G. Loan..	7	June 1, 1943	103	102⅞	6.71
French Ext. S. F. Loan	8	Sept. 15, 1945	110⅞	110⅞	7.04
Japanese Govt. (£).....	5	1907/1947	84½	84¼	6.43
German Govt. S. F. Loan	7	Oct. 15, 1949	105½	105⅛	6.53
Deutsche Renten Bank 1st Lien Farm Loan	7	Sept. 15, 1950	99⅛	99	7.09
Saxon Public Works Inc. 1st Mtge. S. F. Loan ..	7	Feb. 1, 1945	99⅜	99⅛	7.05
German G.E.C.S.F. Loan	7	Jan. 15, 1945	102⅞	102½	6.76
Finnish Guaranteed Municipalities S. F. Loan...	6½	Oct. 1, 1954	98	98	6.67
Chicago Rapid Transit 1st. & Refunding Mtge.	6½	July 1, 1944	98⅛	98⅛	6.65
Northern Ohio Power & Light Co. Debentures.	6½	Jan. 1, 1941	100	100	6.50
Cuban Domin. Sugar Co. 1st Lien S. F. Loan...	7½	Nov. 1, 1944	100⅛	100⅛	7.45
Camaguey Sugar Co. 1st. Mtge. S. F. Loan.....	7	Oct. 15, 1942	100⅛	100⅜	6.95
Pennsylvania Dixie Cement Cumulative...	7	Pfd. Stock	97½	97½	7.18
Victor Talking Machine Company Cum, Prior	7	Pfd. Stock	98½	100	7.00
Willys Overland Co.....	7	Pfd. Stock	94½	94¼	7.43
The National City Bank of New York.....	20	Stock	735	732	2.73
Republic of Peru, Ext. Secured S. F. Loan...	7½	Sept. 1, 1956	107¼	106½	6.98
Saxon Public Works Inc.	6½	May 1, 1951	——	95½	6.89
Saxon State Mtge. Inc.	7	Dec. 1, 1945	——	99½	7.07
Republic of Chile	6%	Apl. 1, 1960	——	91¼	6.63

The National City Company, The National City Bank Building, No. 2A Kiukiang Road, Shanghai, China.

Shanghai Exchange for Week Ending Wednesday, November 7, 1927

By Maitland, Fearon and Brand

Exchange:—A further rise in the price of Bar Silver in London has taken place during the past week, today's quotations 27d. ready and 25⅜d. forward are respectively ¼d. and 1/16d. above these ruling this day last week. The official T. T. rate on London has advanced to 2/7¼d. The exchange market in regard to imports and exports continues very quiet but speculators have been fairly active opdrating on both sides of the market: generally speaking the market has ruled steady. The market at the close of today's business is very quiet with the following rates for gold remittances, near delivery available:—T. T. on London 2/7 9/16d. New York 64⅛. Yen 71½. The New York/London rate has imporovd to 488¼.

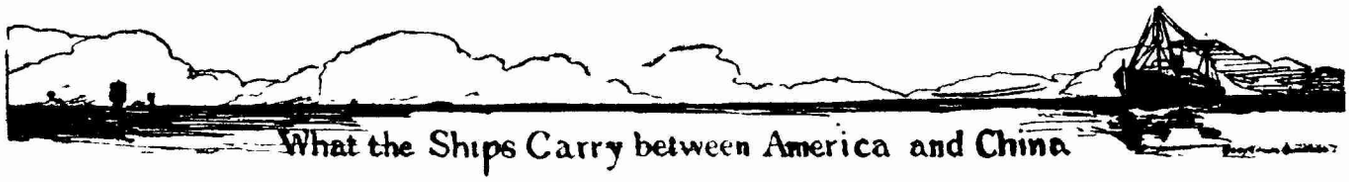
Our stocks of silver are reported as follows:—

Sycee and Bar Silver.....Tls.58,951,000 an increase of Tls. 3,257.000
Chinese and Mexican Dollars..... $ 73,030,000 a decrease of $ 310,000
Estimated value Tls. 111,532,000 as against Tls. 129,940,000 held at this time last year.

	Average rates for Nov.	Thursday Dec. 1	Friday Dec. 2nd	Satur. Dec. 3th	Monday Dec. 5th	Tuesday Dec. 6th	Wednesday Nov. 23
Bank's selling rates		*opening closing*	*opening closing*	*opening closing*	*opening closing*	*opening closing*	*opening closing*
T/T London	2/6.827	2/7	2/7	2/7	2/7	2/7½	2/7¼
D/Dfts ,,	—	2/7 1/16	2/7 1/16	2/7 1/16	2/7 1/16	2/7 5/16	2/7 5/16
4 m/s ,,	—	2/7½	2/7¼	2/7¼	2/7¼	2/7½	2/7½
T/T India	171.125	171	170¾	170¾	171	172	172¼
T/T France	1,592,308	1600	1600	1600	1600	1615	1615
T/T N. Y.	62.601	63	63	63	63	63½	63½
T/T Demand		63⅛	63⅛	63⅛	63⅛	63⅝	63⅝
T/T Hamburg		264	263¾	261¾	263⅛	265¾	266
T/T H'kong	79.202	79¼	79¼	79¼	79¼	79	79
T/T Japan	73.538	72¾	72¾	72⅞	73	72⅝	72½
T/T Batavia	154.625	155½	155½	155½	155⅝	156¾	156¾
T/T Straits	90.351	90	90	90⅛	89½	89⅞	
Bk's buying rates 4 m/s B/L. Cred. D/A	2/8 827	2/9	2/9	2/9	2/9	2/9¼	2/9¼
4 m/s ,, D/P	—	2/9⅛	2/9⅛	2/9⅛	2/9⅛	2/9⅜	2/9⅜
6 m/s ,, B/L Cred D/A	2/9.139	2/9 5/16	2/9 5/16	2/9 5/16	2/9 5/16	2/9 9/16	2/9 9/16
4 m/s B/F Cred D/A or D/P	1,722,308	1730	1730	1730	1730	1745	1745
4 m/s N.Y.Lc.	65.976	66⅜	66⅜	66⅜	66⅜	66⅞	66⅞
4 m/s ,, Docs	—	66⅞	66⅞	66⅞	66⅞	67⅜	67⅜

†Based on Daily Official quotation, higher rate taken on rising Market, lower when falling Bullion.	Dec. 1	Dec. 2	Dec. 3	Dec. 5	Dec. 6	Dec. 7
*London Price of Bar Silver per oz. (English Standard 925 touch)...Pence	26 1/16	26 1/16	26 1/16	26 1/16	26 1/16	27
**New York Price of Bar Silver per oz. (Pure)	G. $.58⅛	G.$.58.	G. $. 58	G. $. 58	G. $. 58⅜	G. $.58⅛
Shanghai Price of Gold Bars (weight Tls. 10 (Chanping) 978 touch).....	Tls. 353.10	Tls. 352.90	Tls. 354.30	Tls. 351.80	Tls. 348.80	Tls. 349.40
Shanghai Silver Bars (weight Tls. 100(C.)999 touch)	110.90	110.90	110.90	110.90	110.90	110.80
Shanghai Mexican Dollars per $100.....	72.9375	72.925	72.975	72.9	72.925	72.95
Native Bank Rate of Interest (Call money).....	1%	1%	1%	1%	1%	1%
*Closing Price in Lond on for Previous day						
**Closing Price in New York for Previous day						

Bank of England rate of discount	4½%	London Paris on	T/T 124.
Bank of France rate of discount	5%	New York on London	T/T 488¼
London open Market of Dis. 3 m/s	4⅛%	Bombay on London	T/T 1/6 1/16
,, 4 ,,	4⅛%	Hongkong on London	T/T 2/0⅛
,, 6 ,,	4⅛%	Kobe on London	T/T 1/10 15/16



Return of the Shanghai Customs

Pls.—1 Picul or 133 1/3 pounds; Bls.—Bales; Pcs.—Pieces; Mille—thousands; Hk. Tls.—Haikwan Tls., Nov. *Customs Rate Tls. 1.48 equal Gold $1*

KENDAL CASTLE,
November 2.
from U. S. A.

Blankets, Felt	Lb.	143
Cheese	Pls.	2
Chestnut Extract	,,	262
Dextrine	,,	373
Flour, Corn	,,	120
Leather, Cow	,,	1
Oak Extract	,,	273
Starch, Corn	,,	79
Tobacco, Prepared	,,	3
Oil, Lubricating, Mineral	Galls.	1,350

PRESIDENT HAYES,
November 2.
From U S. A.

Linen	Yds.	6,346
Cotton Thread, Embroidery	Pls.	8
Cotton Thread, Spinning	,,	9
Cotton Yarn, Mercerised	,,	23
Aluminium Sheets	,,	76
Almonds	,,	6
Canned Asparagus	,,	57
Canned Fruits, Table & Pie	,,	74
Fish, Cod, Boneless	,,	3
Fruits, Dried	,,	109
Grapes, Fresh	,,	96
Indigo Paste, Artificial, 20 per cent.	,,	2,454
50 ,,	,,	120
Ink, Printing	,,	9
Leather, Calf and Kid	,,	10
,, Sole, Shoulders	,,	79
Leather, Sole, other kinds	,,	33
Oranges, Fresh	,,	61
Paper, Art Printing	,,	15
,, Boxboard	,,	1,034
,, Writing	,,	337
Raisins	,,	548
Soda, Ash	,,	63
,, Bicarbonate of	,,	252
Sugar, Cube	,,	7
,, Powdered	,,	29
,, of Milk	,,	202
Sulphur Black	,,	918
Tobacco, Prepared, in Sacks	,,	222
Wax, Paraffin	,,	842
Bedsteads	Pcs.	433
Safes	,,	47
Scales	,,	263
Typewriters	,,	50
Baking Powder	Doz.	2,640
Files	,,	2,117
Handkerchiefs	,,	180
Milk, Malted	,,	74
Shoes and Boots	Pairs	3,384
Chocolate	Lb.	720
Coffee	Catties	150
Oil, Lubricating, Mineral	Galls.	10,700
Dyes, Aniline Pkgs, 16	Hk. Tls.	2,392
Infants' Food	,,	7,397
Machinery	,,	11,948
Treasure:		
Silver Bars	,,	1,381,741
,, Bullions	,,	159,803

KOREA MARU, November 4.
from U. S. A.

Leather, Calf	Pls.	2
Milk, Condensed	,,	720
Oil, Lubricating, Mineral	Galls.	2,651

PRESIDENT GRANT,
November 5.
From U. S. A.

Apples, Dried	Pls.	23
Apples, Fresh	,,	37
Apricots, Dried	,,	19
Canned Asparagus	,,	23
Butter	,,	11
Cheese	,,	6
Canned Fruits	,,	538
Fruits, Dried	,,	49
Grapes, Fresh	,,	15
Ink, Printing	,,	201
Leather, Calf	,,	10
,, Sole	,,	399
Milk, Condensed	,,	54
,, Evaporated	,,	714
Newspapers, Old	,,	1,050
Paper, Chpboard	,,	375
,, Unclassed	,,	318
Prunes, Dried	,,	180
Raisins, Dried	,,	971
Shrimps, Dried	,,	111
Sugar, White	,,	54
Coffee	Catties	2,250
Machines, Calculating	Pcs.	5
Trunks	,,	23
Canned Salmon	Doz.	276
,, Sardines	,,	1,900
,, Vegetables	,,	170
Shoes, Leather	Pairs	281
Oil, Lubricating, Mineral	Galls.	15,181
Treasure:		
Silver Bars	Hk. Tls.	755,388

PRESIDENT JEFFERSON,
November 10.

To San Francisco.

Tea, Green:		
Scented, Shanghai	Pls.	15
,, other Ports	,,	11
Brassware	,,	53
Tea, Green:		
Gunpowder, other Ports	,,	5
Young Hyson, other Ports	,,	329
Hyson, other Ports	,,	77

To Los Angeles.

Tea, Scented, oher Ports	,,	13
Tea, Green:		
Scented, Shanghai	,,	5
Gunpowder, Ningpo.	,,	16
Antimony, Crude	,,	252
Egg Albumen, Dried	,,	15
Carpets	Hk. Tls.	2,759

To Houston.

Hair, Human	,,	174

To Shamokin, Pa.

Silk, Raw, Steam Filature: White, Shanghai Bls.		
101	Pls.	101.16

To Denver Colorado.

Brassware	,,	2

To Kansas City.

Brassware	,,	3

To Hoboken.

Silk, Raw, Steam Filature: White, Shanghai Bls.		
10	Pls.	9.98

To Havana, Cuba.

Books, Printed	Pls.	23

Oakland, Calif.

Brassware	,,	3

To Salt Lake. City

Brassware	Pls.	5

To Philadelphia.

Rugs	Hk. Tls.	2,855

To Chicago.

Silk, Raw, Steam Filature: White, Shanghai Bls.		
5	,,	4.97

To New York.

Silk, Raw, Re-reeled: White, other Ports Bls. 11	,,	11.13
Silk, Raw, Steam Filature: White, other Ports Bls. 10	Pls.	10.00
Wild, other Ports Bls. 5	,,	5.15
Silk, Waste: Shanghai Bls. 12	Pls.	34.20
Other Ports Bls. 6	,,	21.16
Silk Piece Goods	,,	7.53
Tea, Black, other kinds, Shanghai	,,	5
Hides, Cow	,,	139
Wool Sheep's	,,	157
Cotton Lace, Filet	,,	2
Cotton Raw, Hankow Bls. 350	,,	1,359
Bristles, Assorted	,,	50
Skins, Dog, Tanned	Pcs.	3,000
Rugs	Hk. Tls.	4,475

To Boston.

Cotton, Raw Hankow Bls 200	Pls.	799

To Reading, Pa.

Silk, Raw, Steam Filature: White Shanghai Bls.		
5	Pls.	5

Weekly Cotton Market Report

By J. Spunt & Co.

China Cotton:—Prices during the early part of the week under review registered a decline of about Tls.1.00 per picul, which is ascribable to the little absorption by the mills in general, and the bearish sentiment engendered by the declines in both Mid-Americans and Indians. At the close, however, there evolved a firmness in the rates, influenced by shorts covering, which was intensified by the slight reaction in Mid-Americans.

Under the present circumstances, we see very little reason to expect heavy decline of any consequence in the near future, but we do not anticipate anything like a return to higher prices prevailing in the immediate future, in that a great deal will depend on the movements in the foreign fibre, therefore, we feel that in times like these, cautious manipulation is to be recommended.

Yarn:—Fluctuations in the yarn market during the past week has been erratic, but the tendency on the whole has been on the easy side, and prices declined from Tls.1.00 to Tls.1.50 as compared with the level last current. Business for export has been booked some 6000 to 7000 bales in all counts during the week under review.

Liverpool:—

American-Middling	10.87
American-Middling last reported	11.12
Tone of the Market,	*Steady*

New York Market:—

Price of Mid-Amer.	19.65 Spot.
	19.23 Jan.
	19.42 Mar.
	19.61 May.
	19.61 July.
	19.17 Oct.
Tone of the market—	*Steady*

Indian Market:—

Fully Good Bengal, D./J.	306
Fine Oomra, D/J	343
Fully Good Broach, A./M.	378

Tone of the market—*Steady*

Shanghai Market:—

	Tls.
Tungchow, O./N. exwharf	34.40
Shanghai, O./N.	33.00
M. Ginned, Spot	33.50
Shensi, No. 1 O./N./Dec.	35.00
Ningpo. Spot, Exwharf.	30.60

Tone of the market—*Steady*

15

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